

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

RAO M ADIBHATLA
Claimant

APPEAL 16A-UI-06485--JCT

**ADMINISTRATIVE LAW JUDGE
DECISION**

THE UNIVERSITY OF IOWA
Employer

**OC: 05/01/16
Claimant: Appellant (1)**

Iowa Code § 96.3(5) – Benefit Duration – Business Closing
Iowa Admin. Code r. 871-24.29(1) and (2) – Business Closing

STATEMENT OF THE CASE:

The claimant filed a timely appeal from the June 7, 2016, (reference 01) unemployment insurance decision that denied the request to redetermine the claim based upon a business closure. After due notice was issued, a telephone conference hearing was held on June 29, 2016. The claimant participated. The employer participated through benefits specialist, Mary Eggenburg. The administrative law judge took official notice of the administrative records including the fact-finding documents. Department exhibits D-1, D-2, and D-3 were admitted into evidence. Based on the evidence, the arguments presented, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

ISSUE:

Is the claimant eligible to have the monetary determination recalculated due to business closing?

FINDINGS OF FACT:

Having heard the testimony and having reviewed the evidence in the record, the administrative law judge finds: The claimant performed work as a research support manager, beginning October 28, 2015 until April 28, 2016, when his employment ended due to a lack of work.

The claimant worked in the department of neurology, within the school of medicine, for Dr. Asgar Zaheer, who had a grant funded-lab. The offices for the lab were housed in the medical research center building (MRC) located at 200 Hawkins Drive in Iowa City, Iowa. The University of Iowa operates several other programs at the same location.

For unknown reasons, Dr. Zaheer accepted a position with the University of Missouri-Columbia, and consequently his funding went with him. It was the funding from his grant that paid the claimant's wages. As a result, the claimant was laid off when the lab closed (Department exhibit D-1). The employer continues to operate its other programs from the office building at 200 Hawkins Drive in Iowa City, Iowa.

REASONING AND CONCLUSIONS OF LAW:

The issue in this case is whether the claimant is entitled to have his benefits redetermined as a layoff due to a business closing.

Iowa Admin. Code r. 871-24.29(1) provides:

Business closing.

(1) Whenever an employer at a factory, establishment, or other premises goes out of business at which the individual was last employed and is laid off, the individual's account is credited with one-half, instead of one-third, of the wages for insured work paid to the individual during the individual's base period, which may increase the maximum benefit amount up to 39 times the weekly benefit amount or one-half of the total base period wages, whichever is less. This rule also applies retroactively for monetary redetermination purposes during the current benefit year of the individual who is temporarily laid off with the expectation of returning to work once the temporary or seasonal factors have been eliminated and is prevented from returning to work because of the going out of business of the employer within the same benefit year of the individual. This rule also applies to an individual who works in temporary employment between the layoff from the business closing employer and the Claim for Benefits. For the purposes of this rule, temporary employment means employment of a duration not to exceed four weeks.

Iowa Admin. Code r. 871-24.29(2) provides:

(2) Going out of business means any factory, establishment, or other premises of an employer which closes its door and ceases to function as a business; however, an employer is not considered to have gone out of business at the factory, establishment, or other premises in any case in which the employer sells or otherwise transfers the business to another employer, and the successor employer continues to operate the business.

Before business-closing benefits can be awarded, the law requires that the employer go completely out of business at the factory, establishment, or business premises where the claimant was last employed. In this case, the employer closed a single department and continues to operate other departments on the premises where Dr. Zaheer's laboratory for the Neurology department was located.

Since there is still an ongoing business at that location, the business is not considered to have closed. Therefore, while the claimant remains qualified for benefits based upon a layoff from this employer, he is not entitled to a recalculation of benefits. Business-closing benefits are denied.

DECISION:

The June 7, 2016, (reference 01) unemployment insurance decision is affirmed. The claimant was not laid off due to a business closure. The claimant remains qualified for benefits based upon a layoff from this employer. His request for a recalculation of benefits due to a business closure is denied.

Jennifer L. Beckman
Administrative Law Judge

Decision Dated and Mailed

jlb/pjs