

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

68-0157 (9-06) - 3091078 - EI

**DAVID R KALNY**  
Claimant

**APPEAL NO. 07A-UI-03158-LT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**ANKENY TRACTORS INC**  
Employer

**OC: 12/31/06 R: 02  
Claimant: Appellant (2)**

Iowa Code § 96.3(5) – Layoff Due to Business Closing

**STATEMENT OF THE CASE:**

Claimant filed a timely appeal from the March 26, 2007, reference 01, decision that denied the request to redetermine the claim based upon a business closure. After due notice was issued, a hearing was scheduled to be held on April 12, 2007. The employer advised the administrative law judge prior to the hearing that he does not dispute the business closing issue and there is no ongoing business at that location. Thus, no testimony was necessary and no hearing was held.

**ISSUE:**

The issue is whether the claim can be redetermined based upon a business closing.

**FINDINGS OF FACT:**

Having reviewed the evidence in the record, the administrative law judge finds: After the appeal hearing was scheduled but prior to the hearing, the employer advised the administrative law judge that he does not dispute the business closing issue and there is no ongoing business at that location.

**REASONING AND CONCLUSIONS OF LAW:**

For the reasons that follow, the administrative law judge concludes the claimant was laid off due to a business closure.

Iowa Code § 96.3-5 provides:

5. Duration of benefits. The maximum total amount of benefits payable to an eligible individual during a benefit year shall not exceed the total of the wage credits accrued to the individual's account during the individual's base period, or twenty-six times the individual's weekly benefit amount, whichever is the lesser. The director shall maintain a separate account for each individual who earns wages in insured work. The director shall compute wage credits for each individual by crediting the individual's account with one-third of the wages for insured work paid to the individual during the individual's base

period. However, the director shall recompute wage credits for an individual who is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, by crediting the individual's account with one-half, instead of one-third, of the wages for insured work paid to the individual during the individual's base period. Benefits paid to an eligible individual shall be charged against the base period wage credits in the individual's account which have not been previously charged, in the inverse chronological order as the wages on which the wage credits are based were paid. However if the state "off indicator" is in effect and if the individual is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, the maximum benefits payable shall be extended to thirty-nine times the individual's weekly benefit amount, but not to exceed the total of the wage credits accrued to the individual's account.

871 IAC 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. 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.

871 IAC 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.

Since the employer does not dispute that the business has closed and there is no ongoing business at that location, claimant is entitled to a recalculation of benefits.

**DECISION:**

The March 26, 2007, reference 01, decision is reversed. The claimant was laid off due to a business closure. Recalculation of benefits is allowed.

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Dévon M. Lewis  
Administrative Law Judge

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Decision Dated and Mailed

dml/kjw