

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

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

TIMOTHY HODGES
Claimant

APPEAL NO. 19A-UI-03487-S1-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

WALMART INC
Employer

OC: 03/31/19
Claimant: Respondent (1)

871 IAC 24.26(1) – Voluntary Leaving – Change in Contract of Hire
Section 96.3-7 – Overpayment

STATEMENT OF THE CASE:

Walmart (employer) appealed a representative's April 16, 2019, decision (reference 01) that concluded Timothy Hodges (claimant) was eligible to receive unemployment insurance benefits. After hearing notices were mailed to the parties' last-known addresses of record, a telephone hearing was scheduled for May 15, 2019. The claimant participated personally. The employer participated by Anthony Flemming, Store Manager. Exhibit D-1 was received into evidence.

ISSUE:

The issue is whether the claimant was separated from employment for any disqualifying reason.

FINDINGS OF FACT:

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds that: The claimant was hired on July 10, 2016, as a full-time salaried store manager earning approximately \$50,000.00 annually. When he was hired he agreed to work a six-month overnight rotation schedule with seven to nine other assistant managers.

On or about February 21, 2019, the store manager met with the claimant to tell him he had to work an overnight rotation for at least one year. The claimant asked if he could have Saturdays off because he coached his children. The store manager denied his request. The store manager told the claimant he could either work the overnight shift or be demoted to a \$14.00 per hour associate. The claimant said that neither option would work for him. The store manager advised him to wait until the claimant's bonus arrived before giving an answer.

The employer issued the claimant his bonus on March 7, 2019. On March 8, 2019, the claimant told the employer that he would not accept the changes to his employment. March 8, 2019, was the claimant's last day of work.

The claimant filed for unemployment insurance benefits with an effective date of March 31, 2019. The employer provided the name and number of Tony Flemming as the person who would participate in the fact-finding interview on April 15, 2019. The fact finder called

Mr. Flemming but he was not available. The fact finder left a voice message with the fact finder's name, number, and the employer's appeal rights. The employer did not respond to the message.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow the administrative law judge concludes the claimant voluntarily quit work with good cause attributable to the employer.

Iowa Admin. Code r. 871-24.26(1) provides:

Voluntary quit with good cause attributable to the employer and separations not considered to be voluntary quits. The following are reasons for a claimant leaving employment with good cause attributable to the employer:

(1) A change in the contract of hire. An employer's willful breach of contract of hire shall not be a disqualifiable issue. This would include any change that would jeopardize the worker's safety, health or morals. The change of contract of hire must be substantial in nature and could involve changes in working hours, shifts, remuneration, location of employment, drastic modification in type of work, etc. Minor changes in a worker's routine on the job would not constitute a change of contract of hire.

A 25 percent to 35 percent reduction in working hours is, as a matter of law, a substantial change in the contract of hire. A substantial pay reduction creates good cause attributable to the employer for a resignation. *Dehmel v. Employment Appeal Board*, 433 N.W.2d 700 (Iowa 1988). The claimant quit work because the employer was going to change his hours or reduce his pay from \$50,000.00 per year to approximately \$29,120.00. A change in one's hours or shift is a substantial change in one's contract for hire. The employer substantially changed the claimant's contract for hire and, therefore, the separation was not voluntary. The claimant is qualified to receive unemployment insurance benefits provided he is otherwise eligible.

DECISION:

The representative's April 16, 2019, decision (reference 01) is affirmed. The claimant voluntarily quit with good cause attributable to the employer. Benefits are allowed, provided the claimant is otherwise eligible.

Beth A. Scheetz
Administrative Law Judge

Decision Dated and Mailed

bas/rvs