

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

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**DARREN D CLARK**  
Claimant

**IOWA HEALTH SYSTEM**  
Employer

**APPEAL 18A-UI-07479-DG-T**  
**ADMINISTRATIVE LAW JUDGE  
DECISION**

**OC: 06/17/18**  
**Claimant: Appellant (2)**

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Iowa Code § 96.5(1) – Voluntary Quitting  
Iowa Admin. Code r. 871-24.26(1) – Voluntary Quitting – Change in Contract of Hire

**STATEMENT OF THE CASE:**

Claimant filed an appeal from a decision of a representative dated July 3, 2018, (reference 01) that held claimant ineligible for unemployment insurance benefits. After due notice, a hearing was scheduled for and held on July 31, 2018. Claimant participated. Employer failed to respond to the hearing notice and did not participate. Claimant's Exhibits A-K were admitted into evidence.

**ISSUE:**

The issue in this matter is whether claimant quit for good cause attributable to employer?

**FINDINGS OF FACT:**

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds: Claimant submitted his notice of resignation on April 10, 2018. Claimant last worked for employer on April 18, 2018.

Claimant began working for employer as a HIE analyst in April of 2004. Claimant was allowed to work at home at least two days a week, and he was able to come and go from the office as needed as long as his work was completed each week. Claimant was also involved in project management and he worked on department budgets. Claimant received favorable evaluations from employer, and he liked his job.

On or about February 1, 2018 employer announced that it had to make changes to his employment title because the business was being reorganized. Other employees were laid off or fired, and claimant's job title changed to an ambulatory analyst. Employer did not provide a written summary of the changes to claimant, and claimant continued doing many of the same tasks he had been performing throughout his employment until March 19, 2018. During the latter part of March, 2018 and early April, 2018 claimant began receiving instructions about drastic changes to his employment. Claimant was notified during those weeks that his work hours would be changing. He would no longer be allowed to work at home several days a week, and he would be working 8:00 a.m. to 5:00 p.m. each day. Claimant also began to

realize that he would no longer be involved in project management or budgetary decisions. Claimant spoke to employer and discussed his concerns. He was told that the changes were permanent and that there was nothing the employer could do about his concerns.

Claimant evaluated the changes that were being made to his employment. He decided he had to resign from the employment on April 10, 2018. Claimant gave notice to employer of his intent to resign on that date.

### **REASONING AND CONCLUSIONS OF LAW:**

For the reasons that follow, the administrative law judge concludes the claimant did voluntarily leave the employment with good cause attributable to the employer.

Iowa Code section 96.5(1) provides:

An individual shall be disqualified for benefits, regardless of the source of the individual's wage credits:

1. *Voluntary quitting.* If the individual has left work voluntarily without good cause attributable to the individual's employer, if so found by the department.

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.

In general, a substantial pay reduction of 25 to 35 percent or a similar reduction of working hours creates good cause attributable to the employer for a resignation. *Dehmel v. Emp't Appeal Bd.*, 433 N.W.2d 700 (Iowa 1988). A notice of an intent to quit had been required by *Cobb v. Emp't Appeal Bd.*, 506 N.W.2d 445, 447-78 (Iowa 1993), *Suluki v. Emp't Appeal Bd.*, 503 N.W.2d 402, 405 (Iowa 1993), and *Swanson v. Emp't Appeal Bd.*, 554 N.W.2d 294, 296 (Iowa Ct. App. 1996). Those cases required an employee to give an employer notice of intent to quit, thus giving the employer an opportunity to cure working conditions. However, in 1995, the Iowa Administrative Code was amended to include an intent-to-quit requirement. The requirement was only added to rule 871-24.26(6)(b), the provision addressing work-related health problems. No intent-to-quit requirement was added to rule 871-24.26(4), the intolerable working conditions provision. Our supreme court concluded that, because the intent-to-quit requirement was added to Iowa Admin. Code r. 871-24.26(6)(b) but not 871-24.26(4), notice of intent to quit is not required for intolerable working conditions. *Hy-Vee, Inc. v. Emp't Appeal Bd.*, 710 N.W.2d 1 (Iowa 2005). A refusal to accept a night shift position at a sanitarium constitutes a good cause quit attributable to the employer when that shift would endanger the claimant's health. *Forrest Park Sanitarium v. Miller*, 333 Iowa 1341, 11 N.W.2d 582 (Iowa 1943).

There was no disqualifying misconduct basis for the effective demotion but it was made as a business reorganization decision, and while there was no corresponding reduction in pay or

hours as a result of the demotion, it did result in a loss of status. His loss of supervisory, management and administrative authority and duties is considered a substantial change in contract of hire and the separation was with good cause attributable to the employer. Benefits are allowed.

**DECISION:**

The July 3, 2018, (reference 01) decision is reversed. The claimant voluntarily left the employment with good cause attributable to the employer. Benefits are allowed, provided the claimant is otherwise eligible.

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Duane L. Golden  
Administrative Law Judge

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Decision Dated and Mailed

dlg/rvs