

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**SHELBY J OLSEN**  
Claimant

**APPEAL NO. 14A-UI-11766-JTT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**VANGENT INC**  
Employer

**OC: 10/12/14**  
**Claimant: Appellant (4)**

Iowa Code section 96.5(1)(i) – Layoff Pursuant to Business Transfer  
871 IAC 24.1(113) – Layoff

**STATEMENT OF THE CASE:**

Shelby Olsen filed a timely appeal from the November 10, 2014, reference 03, decision that disqualified her for benefits and that relieved employer Vangent, Inc., employer account number 336472, of liability for benefits based on an Agency conclusion that she had voluntarily quit on October 16, 2014, without good cause attributable to the employer. After due notice was issued, a hearing was held on December 4, 2014. Mr. Olsen participated. The employer did not respond to the hearing notice instructions to provide a telephone number for the hearing and did not participate. The employer was aware of the hearing, as indicated by the employer's fax correspondence dated December 2, 2014. The administrative law judge took official notice of the Agency's administrative record indicating that the business entity for which Ms. Olsen worked was transferred to General Dynamics, employer account number 326347, effective January 1, 2014 and that General Dynamics is a successor employer under Iowa Code section 96.7(2)(b)(2).

**ISSUE:**

Whether the claimant separated from Vangent, Inc., employer account number 336472, for a reason that would disqualify her for benefits or that would relieve that employer of liability for benefits.

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds: Shelby Olsen was employed by Vangent, Inc., employer account number 336472, on a full-time basis, from 2012 until January 1, 2014, when Vangent sold or otherwise transferred the business unit for which Ms. Olsen worked to General Dynamics, employer account number 326347. In connection with the business transfer, Ms. Olsen became an employee of General Dynamics and earned well in excess of 10 times her weekly benefit amount after the business transfer and prior to separating from General Dynamics in October 2014. The administrative law judge took official notice of the administrative law judge decision entered in 14A-UI-11689-ET regarding the claimant's October 2014 separation from General Dynamics.

## REASONING AND CONCLUSIONS OF LAW:

Iowa Workforce Development rule 871 IAC 24.1(113)(a) provides as follows:

24.1(113) Separations. All terminations of employment, generally classifiable as layoffs, quits, discharges, or other separations.

a. Layoffs. A layoff is a suspension from pay status initiated by the employer without prejudice to the worker for such reasons as: lack of orders, model changeover, termination of seasonal or temporary employment, inventory-taking, introduction of laborsaving devices, plant breakdown, shortage of materials; including temporarily furloughed employees and employees placed on unpaid vacations.

Iowa Code section 96.5(1)(i) provides as follows:

96.5 Causes for disqualification.

An individual shall be disqualified for benefits:

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. But the individual shall not be disqualified if the department finds that:

i. The individual is unemployed as a result of the individual's employer selling or otherwise transferring a clearly segregable and identifiable part of the employer's business or enterprise to another employer which does not make an offer of suitable work to the individual as provided under subsection 3. However, if the individual does accept, and works in and is paid wages for, suitable work with the acquiring employer, the benefits paid which are based on the wages paid by the transferring employer shall be charged to the unemployment compensation fund provided that the acquiring employer has not received, or will not receive, a partial transfer of experience under the provisions of section 96.7, subsection 2, paragraph "b". Relief of charges under this paragraph applies to both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

Ms. Olsen did not voluntarily quit the employment with Vangent, Inc. Instead, she involuntarily separated from that employment, was laid off from that employment, when Vangent sold or otherwise transferred the business entity for which Ms. Olsen worked to a new employing entity, General Dynamics, effective January 1, 2014. The January 1, 2014 separation from Vangent would not disqualify Ms. Olsen for unemployment insurance benefits. Ms. Olsen would be eligible for benefits provided she meets all other eligibility requirements. Because of the successor relationship between Vangent, Inc., and General Dynamics, Vangent's account will not be assessed for benefits. Benefits may be assessed to the employer account of General Dynamics.

## DECISION:

The claims deputy's November 10, 2014, reference 03, decision is modified as follows. The claimant involuntarily separated from, was laid off from, employment with Vangent, Inc. effective January 1, 2014. The January 1, 2014 separation from Vangent does not disqualify the

claimant for unemployment insurance benefits. The claimant is eligible for benefits, provided she meets all other eligibility requirements. Vangent's account will not be assessed for benefits. Benefits may be assessed to the employer account of General Dynamics.

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James E. Timberland  
Administrative Law Judge

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Decision Dated and Mailed

jet/pjs