

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

ROSE MARY R RAMON
Claimant

KINSETH HOTEL CORPORATION
Employer

APPEAL 15A-UI-07961-JP-T
**ADMINISTRATIVE LAW JUDGE
DECISION**

OC: 01/04/15
Claimant: Appellant (2)

Iowa Code § 96.5(1) – Voluntary Quitting

STATEMENT OF THE CASE:

The claimant filed an appeal from the July 1, 2015, (reference 04) unemployment insurance decision that denied benefits. The parties were properly notified about the hearing. A telephone hearing was held on August 6, 2015. Claimant participated. Employer participated through representative Diana Perry-Lehr and General Manager Kati Henry. General Manager Brandi Smith Branstad appeared for the hearing on behalf of the employer, but did not testify.

ISSUE:

Did claimant voluntarily quit the employment with good cause attributable to employer?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: Claimant was employed full-time as a housekeeper from April 23, 2015, and was separated from employment on May 29, 2015, when she quit.

Claimant was hired to help get a hotel ready to open. Claimant lives in Mason City and the hotel was opening in Ankeny. Claimant testified this was approximately a two-hour drive for her. When claimant was hired, the employer was aware where claimant was living and agreed to pay for breakfast and lunch. The employer also agreed to provide claimant with a hotel room to stay in, along with her wages for working. Ms. Henry testified this was a verbal agreement between herself, claimant, and Ms. Smith Branstad that did not have an end date. On May 29, 2015, the employer told claimant they could no longer pay for her meals and hotel room as part of her employment. The employer testified the hotel was full and there was not a room available. Claimant understood that this meant she was no longer going to work there anymore because she could not drive that far for the wages she was being paid and she did not have a place to stay. The employer testified that work was still available if claimant wanted to continue to work.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes claimant voluntarily left the employment with good cause attributable to the employer. Benefits are allowed.

Iowa Code § 96.5-1 provides:

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.

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). When the employer hired claimant, they were aware of the travel distance for claimant, which is why they were paying for her room and board. This was a part of claimant's initial contract of hire. This was a verbal contract between the general managers and claimant; however, the employer did testify there was not an end date on the room and board provision. The employer decided to stop paying for claimant's room and board, it was not an agreed upon decision. Inasmuch as the claimant was going to suffer a loss of benefits (room and board) and an increase in travel expenses after May 29, 2015, which were known to the employer at the date of hire, the change of the original terms of hire is considered substantial. Thus, the separation was with good cause attributable to the employer. Benefits are allowed.

DECISION:

The July 1, 2015, (reference 04) unemployment insurance decision is reversed. Claimant voluntarily left the employment with good cause attributable to the employer. Benefits are allowed, provided she is otherwise eligible. Any benefits claimed and withheld on this basis shall be paid.

Jeremy Peterson
Administrative Law Judge

Decision Dated and Mailed

jp/pjs