

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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**DEBRA A SEALS**  
Claimant

**WINCO TRANSPORT LLC**  
Employer

**APPEAL 16A-UI-12932-DGT**  
**ADMINISTRATIVE LAW JUDGE  
DECISION**

**OC: 11/06/16**  
**Claimant: Respondent (1)**

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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:**

Employer filed an appeal from a decision of a representative dated November 28, 2016, (reference 01) that held claimant eligible for unemployment insurance benefits. After due notice, a hearing was scheduled for and held on December 21, 2016. Claimant participated. Employer participated by Patrick Windley, President.

**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 last worked for employer on November 2, 2016. Claimant resigned from her employment after she discovered her pay was going to be decreased by \$5.00 an hour.

Claimant began working for employer in March, 2015. She was initially hired as the bookkeeper, and she worked in that position until July, 2016. In July, 2016 the employee who was serving as the dispatcher left the employment and the employer needed someone to take over those duties. Claimant was able to perform the dispatcher duties, and she agreed to take on both jobs until a new person could be hired. Claimant indicated that she was more comfortable doing the bookkeeper work, and she would go back to that position at a future date. Claimant continued filling both positions until employer could hire another employee. She also received a wage increase during that time.

On November 2, 2016 employer met with claimant and explained that a new dispatcher had been hired and that she would be going back to her bookkeeping position. She was also told that her pay would be reduced by \$5.00 per hour since she was no longer working two jobs. Claimant asked why her pay was being reduced after she sacrificed her time and filled two positions at once. Employer stated that a bookkeeper makes less than a dispatcher, and her pay was going to be reduced to reflect that change. Claimant refused to accept the decrease in

pay, but since the employer had already hired a dispatcher it was unable to offer to have claimant continue to serve as the dispatcher for the same rate of pay. Claimant rejected the change in pay that was offered, and resigned from the employment at that time.

### **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 § 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). 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).

Since there was no disqualifying basis for the demotion, the quit because of the change in contract of hire was with good cause attributable to the employer. Inasmuch as the claimant would suffer a significant pay reduction, and employer has not established misconduct as a reason for the effective demotion, the change of the terms of hire is considered substantial. Thus the separation was with good cause attributable to the employer. Benefits are allowed.

**DECISION:**

The November 28, 2016, (reference 01) decision is affirmed. 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