

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**GARY L KNAPP**  
Claimant

**APPEAL NO. 09A-UI-15743-CT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**WOODSMALL ELECTRIC**  
Employer

**OC: 03/08/09**  
**Claimant: Appellant (2)**

Section 96.5(1) – Voluntary Quit

**STATEMENT OF THE CASE:**

Gary Knapp filed an appeal from a representative's decision dated October 14, 2009, reference 02, which denied benefits based on his separation from Woodsmall Electric. After due notice was issued, a hearing was held by telephone on November 23, 2009. Mr. Knapp participated personally and Exhibits A and B were admitted on his behalf. The employer participated by Carmelita Stephenson, Business Manager, and Douglas Woodsmall, Owner.

**ISSUE:**

At issue in this matter is whether Mr. Knapp was separated from employment for any disqualifying reason.

**FINDINGS OF FACT:**

Having heard the testimony and having reviewed all of the evidence in the record, the administrative law judge finds: Mr. Knapp was employed by Woodsmall Electric from June 17 until August 22, 2009 as a full-time electrician. He notified his supervisor that he was quitting because he was unable to cash his paychecks. He was scheduled to be paid every Friday.

Mr. Knapp first began having problems with his paycheck approximately six weeks into the employment. Some of the checks he deposited to his personal bank account were returned due to insufficient funds in the employer's account. There were times when the employer's bank would not cash the checks due to lack of funds. The employer wrote him a new check on August 13 to cover his paycheck of July 24. On or about August 19, a check Mr. Knapp wrote to a vendor was returned by his bank due to insufficient funds caused by his paycheck bouncing. The employer wrote him a new check on August 20 to cover that of August 7. Any remaining money owed to him was paid on August 26 and 28. The above matter was the sole reason for the separation.

**REASONING AND CONCLUSIONS OF LAW:**

An individual who leaves employment voluntarily is disqualified from receiving job insurance benefits unless the quit was for good cause attributable to the employer. Iowa Code

section 96.5(1). Mr. Knapp quit because of difficulties in receiving his pay timely on a consistent basis. An employer is required by the Iowa Wage Payment Collection Law to pay all wages due on the designated pay date. Iowa Code section 91A.5. If the wages are paid by check, the employee must be able to negotiate the check on the intended pay date. In the case at hand, Mr. Knapp was not always able to obtain his pay on payday because the employer's checks were dishonored.

The administrative law judge appreciates that the employer eventually paid Mr. Knapp all wages due and reimbursed him for fees associated with the returned checks. However, the fact remains that he did not always receive his pay when due because he had to wait for the employer to issue new checks. At least one of Mr. Knapp's personal checks was returned to the vendor after his bank failed to cover it when the employer's paycheck bounced. This factor could affect his ability to write checks at that location in the future.

The administrative law judge concludes that the failure to pay Mr. Knapp wages when due constituted an unlawful working condition within the meaning of 871 IAC 24.26(3). The fact that he was inconvenienced in having to return to the employer for replacement checks and the potential damage to his reputation with vendors in the community constituted intolerable working conditions within the meaning of 871 IAC 24.26(4). For the reasons stated herein, the administrative law judge concludes that Mr. Knapp had good cause attributable to the employer for quitting. As such, benefits are allowed.

**DECISION:**

The representative's decision dated October 14, 2009, reference 02, is hereby reversed. Mr. Knapp quit his employment with Woodsmall Electric for good cause attributable to the employer. Benefits are allowed, provided he is otherwise eligible.

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Carolyn F. Coleman  
Administrative Law Judge

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Decision Dated and Mailed

cfc/pjs