

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**MICHAEL L HOLMES**  
Claimant

**APPEAL NO. 15A-UI-03767-JTT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**NPI SECURITY  
NEIGHBORHOOD PATROL INC**  
Employer

**OC: 03/01/15  
Claimant: Respondent (1)**

Section 96.5(1) – Voluntary Quit

**STATEMENT OF THE CASE:**

The employer filed a timely appeal from the March 23, 2015, reference 01, decision that allowed benefits to the claimant provided the claimant was otherwise eligible and that held the employer's account could be charged for benefits, based on an Agency conclusion that the claimant had voluntarily quit on February 28, 2015 due for good cause attributable to the employer based on a change in the contract of hire. After due notice was issued, a hearing was held on April 30, 2015. Claimant Michael Holmes participated. Stuart Holloway represented the employer and presented additional testimony through Tom Scallon. The administrative law judge took official notice of the Agency's record of benefits disbursed to the claimant and received Exhibits One, Two, Three and A into evidence. The administrative law judge took official notice of the fact-finding materials for the limited purpose of determining whether the employer participated in the fact-finding interview.

**ISSUE:**

Whether the claimant's voluntary quit was for good cause attributable to the employer.

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds: The claimant was employed as a full-time security guard from 2009 until February 28, 2015, when he voluntarily quit in response to proposed changes in the conditions of the employment. Throughout the employment, the claimant had been posted at a Wells Fargo Bank facility in Des Moines. The claimant's work hours were 6:00 a.m. to 2:00 p.m., Monday through Friday. The claimant's final wage in the full-time position was \$11.25 per hour. The employer's contract with Wells Fargo expired on February 28, 2015. Leading up to the expiration of the contract, the employer notified the claimant that the employer would no longer have full-time work for the claimant upon expiration of the contract. The employer notified the claimant that the employer would have part-time employment for the claimant, but did not specify a proposed number of hours or location. The employer told the claimant that he would have to accept a pay cut to \$10.00 per hour. The claimant's \$11.25 per hour wage had been based on the contract with Wells Fargo Bank. The employer told the claimant that the employer would place the claimant

on a waiting list for future full-time employment. The claimant notified the employer that he would not accept a change to part-time employment status. The claimant elected to separate from the employment upon expiration of the Wells Fargo Bank contract, rather than acquiesce in the changes the employer proposed.

The claimant established a claim for unemployment insurance benefits and received benefits. The employer participated in the March 20, 2015 fact-finding interview through Stuart Holloway and Tom Scallon.

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

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.

In general, a voluntary quit requires evidence of an intention to sever the employment relationship and an overt act carrying out that intention. See Local Lodge #1426 v. Wilson Trailer, 289 N.W.2d 698, 612 (Iowa 1980) and Peck v. EAB, 492 N.W.2d 438 (Iowa App. 1992). In general, a voluntary quit means discontinuing the employment because the employee no longer desires to remain in the relationship of an employee with the employer. See 871 IAC 24.25.

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.

"Change in the contract of hire" means a substantial change in the terms or conditions of employment. See Wiese v. Iowa Dept. of Job Service, 389 N.W.2d 676, 679 (Iowa 1986). Generally, a substantial reduction in hours or pay will give an employee good cause for quitting. See Dehmel v. Employment Appeal Board, 433 N.W.2d 700 (Iowa 1988). In analyzing such cases, the Iowa Courts look at the impact on the claimant, rather than the employer's motivation. Id. An employee acquiesces in a change in the conditions of employment if he or she does not resign in a timely manner. See Olson v. Employment Appeal Board, 460 N.W.2d 865 (Iowa Ct. App. 1990).

The evidence in the record indicates that the claimant voluntarily quit in response to substantial changes in the conditions of the employment. The substantial changes included loss of full-time status, a cut in pay, change in location of employment, and no guarantee of or timetable for a return to future full-time employment. The claimant voluntarily quit the employment for good cause attributable to the employer. Accordingly, the claimant is eligible for benefits, provided he is otherwise eligible. The employer's account may be charged for benefits.

**DECISION:**

The March 23, 2015, reference 01, decision is affirmed. The claimant quit the employment on February 28, 2015 for good cause attributable to the employer. The claimant is eligible for benefits, provided he is otherwise eligible. The employer's account may be charged for benefits paid to the claimant.

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James E. Timberland  
Administrative Law Judge

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Decision Dated and Mailed

jet/pjs