

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**BETHANY ROGERS**

Claimant

**APPEAL NO: 13A-UI-00786-BT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**NISHNA VALLEY FAMILY YMCA**

Employer

**OC: 10/21/12**

**Claimant: Respondent (4)**

871 IAC 24.1(113)a - Separation Due to Layoff

871 IAC 23.19(1) - Independent Contractor

**STATEMENT OF THE CASE:**

Nishna Valley Family YMCA (employer) appealed an unemployment insurance decision dated January 18, 2013, reference 01, which held that Bethany Rogers (claimant) was eligible for unemployment insurance benefits. After hearing notices were mailed to the parties' last-known addresses of record, a telephone hearing was held on February 21, 2013. The claimant participated in the hearing. The employer participated through Dan Haynes, Executive Director and Denise Coder, Cass County Public Health Director. Employer's Exhibit One was admitted into evidence. Based on the evidence, the arguments of the parties, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

**ISSUE:**

The issue is whether the claimant was an independent contractor or an employee and if an employee, whether her separation was disqualifying.

**FINDINGS OF FACT:**

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds that: The claimant was employed as a full-time Cass County Wellness Coordinator from March 23, 2010 through November 9, 2011. Her employment ended because the grant, which was paying her wages, ran out.

The claimant began work as an independent contractor on December 1, 2011. She signed a contract on November 29, 2011 which provided work for her as an independent contractor from December 1, 2011 through September 29, 2012. The agreement specifically states in paragraph six on page two that there was no employment relationship and that the parties are independent entities contracting with each other for the purpose of affecting the agreement. The contract further stated that claimant was responsible for paying her own federal and state withholding and that neither party has any claim against the other for "Social Security benefits, worker's compensation, disability benefits, unemployment insurance, vacation, sick pay or any other employee benefits of any kind." The claimant admitted that no one forced her to sign the

contract but she contends that she did not understand what it meant. The contract expired at the end of the designated term and the employer has not renewed it or offered an additional contract.

The claimant filed a claim for unemployment insurance benefits effective October 21, 2012. Her base period consists of the third and fourth quarters of 2011 and the first and second quarters of 2012. The claimant has covered wages from this employer in her base period.

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

The Iowa Employment Security Law deals only with employment relationships. If the claimant is found to be an independent contractor and not an employee, the circumstances surrounding the severance of the business relationship with that company is immaterial to the claim for unemployment insurance benefits. The evidence confirms the claimant was an independent contractor from December 1, 2011 through September 29, 2012 when the contract relationship ended. This is not a disqualifying separation of employment. The real employment separation occurred November 9, 2011.

All terminations of employment are generally classified as layoffs, quits, discharges or other separations. 871 IAC 24.1(113)(a). A claimant is not qualified to receive unemployment insurance benefits if she voluntarily quits employment without good cause attributable to the employer or an employer has discharged the claimant for work-connected misconduct. Iowa Code §§ 96.5-1 and 96.5-2-a.

The evidence establishes the claimant was effectively laid off after November 9, 2011 because the grant money ran out and the employer could no longer pay her. When an employer initiates a separation, the reasons for the separation must constitute work-connected misconduct before a claimant can be denied unemployment insurance benefits. A layoff does not constitute work-connected misconduct. The claimant's separation from employment was not due to any misconduct on her part nor did she quit her job. The claimant is qualified to receive unemployment insurance benefits, provided she is otherwise eligible.

#### **DECISION:**

The unemployment insurance decision dated January 18, 2013, reference 01, is modified in favor of the appellant. The claimant worked as an independent contractor, and as such, the termination of the contract agreement is not a disqualifiable event. Unemployment insurance benefits are allowed, provided she is otherwise eligible. The employer's account shall not be charged after the fourth quarter of 2011, as no wages were paid for insured work after that time.

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Susan D. Ackerman  
Administrative Law Judge

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Decision Dated and Mailed

sda/pjs

**NOTE TO EMPLOYER:**

If you wish to change your mailing address of record please access your account at:  
<https://www.myiowaui.org/UITIPTaxWeb/>.  
Helpful information about using this site may be found at:  
<http://www.iowaworkforce.org/ui/uiemployers.htm> and  
[http://www.youtube.com/watch?v=\\_mpCM8FGQoY](http://www.youtube.com/watch?v=_mpCM8FGQoY)