

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

JOHN E SCHNELL
Claimant

COMPRESSOR CONTROL CORPORATION
Employer

APPEAL 15A-UI-10798-DL-T
**ADMINISTRATIVE LAW JUDGE
DECISION**

OC: 08/30/15
Claimant: Respondent (1)

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:

The employer filed an appeal from the September 17, 2015, (reference 01) unemployment insurance decision that allowed benefits based upon voluntarily quitting the employment. The parties were properly notified about the hearing. A telephone hearing was held on October 9, 2015. Claimant participated. Employer participated through human resource director Sarah Sabers.

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 trainer from June 3, 1991, and was separated from employment on July 29, 2015, when he quit. Claimant traveled extensively for the employer and received a travel bonus for the extra time away from home. Immediate supervisor training and development director Steve Ledo told him he would not be paid his usual travel bonus of approximately \$11,000. He had spent six weeks training in Trinidad with a week before he traveled to Malaysia to train for another four weeks. Rather than fly home for that week at a cost of approximately \$10,000 to the company, Ledo and he agreed that he would stay in a hotel for that week at approximately \$100 per night. During that week he also provided internal training for another company employee from Singapore. The Italian company office complained to Ledo about paying for the hotel so Ledo told claimant he would not be paid for that reason. then said because they complained he was not paid. Claimant told Ledo that was unacceptable and tendered his resignation if it were not resolved. Ledo told claimant he would resolve the situation but Ledo and Sabers called him the following morning and told him not to report to work. Only after that was claimant notified he would receive a travel bonus in his final paycheck. The accuracy of the travel bonus amount remains in dispute.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes the claimant voluntarily quit 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 recently 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).

Inasmuch as the claimant was told he would not be paid his usual travel bonus, the change of the original terms of hire and historical compensation arrangement is considered substantial. Since the employer accepted the resignation and did not advise him until later that all or part of the travel bonus would be paid does not alter the qualifying basis for the resignation at the time. Thus, the separation was with good cause attributable to the employer.

DECISION:

The September 17, 2015, (reference 01) unemployment insurance decision is affirmed. The claimant voluntarily quit the employment with good cause attributable to the employer. Benefits are allowed, provided he is otherwise eligible.

Dévon M. Lewis
Administrative Law Judge

Decision Dated and Mailed

dml/css