

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**LOIS BUCHANAN**  
Claimant

**APPEAL NO: 12A-UI-03475-ET**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**PIZZA HUT**  
Employer

**OC: 02-19-12**  
**Claimant: Appellant (2)**

Section 96.5-1 – Voluntary Leaving

**STATEMENT OF THE CASE:**

The claimant filed a timely appeal from the March 28, 2012, reference 01, decision that denied benefits. After due notice was issued, a hearing was held by telephone conference call before Administrative Law Judge Julie Elder on April 19, 2012. The claimant participated in the hearing. Joe Comes, Owner/President, participated in the hearing on behalf of the employer. Employer's Exhibits One and Two was admitted into the record. The administrative law judge took judicial notice of the administrative file.

**ISSUE:**

The issue is whether the claimant voluntarily left her employment 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 general manager for Pizza Hut from August 19, 2011 to February 22, 2012. The employer met with the claimant February 22, 2012, to give her a performance improvement plan (PIP). Part of the PIP involved cutting the claimant's salary from \$35,000.00 to \$25,000.00 effective immediately. Consequently, the claimant quit her job as a result of the salary decrease.

**REASONING AND CONCLUSIONS OF LAW:**

For the reasons that follow, the administrative law judge concludes the claimant voluntarily left her employment with good cause attributable to the employer.

Iowa Code section 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.

871 IAC 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.

While the employer denies that he stated he was going to reduce the claimant's salary from \$35,000.00 per year to \$25,000.00 per year he admits he mentioned it during the PIP meeting and the claimant stated he indicated he was doing so effective immediately during the meeting. Both parties were credible but the administrative law judge finds the claimant would not have voluntarily quit over a PIP. Inasmuch as the employer told the claimant he was reducing her salary by \$10,000.00 per year, the change is considered a substantial change in her contract of hire. Therefore, benefits must be allowed.

**DECISION:**

The March 28, 2012, reference 01, decision is reversed. The claimant voluntarily left her employment with good cause attributable to the employer. Benefits are allowed, provided the claimant is otherwise eligible.

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Julie Elder  
Administrative Law Judge

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Decision Dated and Mailed

je/css