

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

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

SAMUEL H HANNER
Claimant

APPEAL NO: 12A-UI-07392-DWT

**ADMINISTRATIVE LAW JUDGE
DECISION**

HOP N SHOP
Employer

OC: 04/01/12
Claimant: Appellant (1)

Iowa Code § 96.3(5) –Business Closing Benefits

PROCEDURAL STATEMENT OF THE CASE:

The claimant appealed a representative's June 18, 2012 determination (reference 01) that denied his request for business closing benefits. The claimant participated at the hearing that was consolidated with appeal 12A-UI-07391-DWT. Jill Smith, the claimant in the other appeal, represented Mr. Hanner. Based on the evidence, the claimant's arguments, and the law, the administrative law judge must deny the claimant's request for business closing benefits. The claimant remains eligible to receive "regular" benefits.

ISSUE:

Is the claimant eligible to receive business closing benefits?

FINDINGS OF FACT:

The claimant was working as an assistant manager for NSJ LLC, the employer, until the business was bought by MAJ, Inc. The last day the claimant worked for the employer was April 21, 2012. After MAJ, Inc. bought the business, it was closed for less than a week and reopened. The new owner did not ask the claimant to work. The new owner brought in family members or new employees to work at the business.

REASONING AND CONCLUSIONS OF LAW:

Iowa unemployment insurance law provides additional benefits for claimants laid off due to their employer going out of business at the factory, establishment, or other premises at which they were last employed. Iowa Code § 96.3(5). The administrative rules define going out of business as any factory, establishment, or other premises of an employer that closes its doors and ceases to function as a business. An employer is not considered to have gone out of business at the factory, establishment, or other premises if the employer sells or otherwise transfers the business to another employer and the successor employer continues to operate the business. 871 IAC 24.29(2).

The claimant was laid off from work when NSJ LLC sold the business to MAJ, Inc. Since the new owner continued to operate the business, Hop N Shop, the claimant's request for business

closing benefits is denied. The claimant remains eligible to receive regular unemployment insurance benefits.

DECISION:

The representative's June 18, 2012 determination (reference 01) is affirmed. Since the new owner continued operating the business, the claimant's request for business closing benefits must be denied.

Debra L. Wise
Administrative Law Judge

Decision Dated and Mailed

dlw/pjs