

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

MELANIE M JANSSEN

Claimant

APPEAL 17A-UI-09858-DL-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

HEALTH ENTERPRISES OF IOWA

Employer

OC: 04/30/17

Claimant: Respondent (1)

Iowa Code § 96.5(1) – Voluntary Quitting – Layoff Due to Lack of Work
Iowa Admin. Code r. 871-24.1(113) – Definitions – Separations

STATEMENT OF THE CASE:

The employer filed an appeal from the September 22, 2017, (reference 04) unemployment insurance decision that allowed benefits based upon a layoff due to a lack of work. The parties were properly notified about the hearing. A telephone hearing was held on October 11, 2017. Claimant participated. Employer participated through human resource executive director Kylene Dunham and company president/CEO Judy Sadler.

ISSUE:

Was the claimant laid off due to a lack of work?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: Claimant was employed with Health Enterprises of Iowa (Health) as a full-time histologist/phlebotomist through April 30, 2017. On May 1, 2017, Unity Point Health – Allen (Unity) purchased Central Iowa Healthcare (Central) that had filed for Chapter 11 protection in December 2016. Health had a management agreement as a laboratory for Central. Employees at Central and Health were given notice in March 2017, that their employment would end on May 1, 2017, but Unity wanted to employ all staff currently employed. Health owned some equipment, not the facility, and Unity did not continue the business relationship that Central had with Health.

The issue of Unity's offer of work to claimant is the subject of appeal 17A-UI-10059-H2.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes the claimant was laid off due to a lack of work.

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.

Iowa Admin. Code r. 871-24.1(113)a provides:

Separations. All terminations of employment, generally classifiable as layoffs, quits, discharges, or other separations.

a. Layoffs. A layoff is a suspension from pay status initiated by the employer without prejudice to the worker for such reasons as: lack of orders, model changeover, termination of seasonal or temporary employment, inventory-taking, introduction of laborsaving devices, plant breakdown, shortage of materials; including temporarily furloughed employees and employees placed on unpaid vacations.

Iowa Code section 96.5(1)i 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. But the individual shall not be disqualified if the department finds that:

i. The individual is unemployed as a result of the individual's employer selling or otherwise transferring a clearly segregable and identifiable part of the employer's business or enterprise to another employer which does not make an offer of suitable work to the individual as provided under subsection 3. However, if the individual does accept, and works in and is paid wages for, suitable work with the acquiring employer, the benefits paid which are based on the wages paid by the transferring employer shall be charged to the unemployment compensation fund provided that the acquiring employer has not received, or will not receive, a partial transfer of experience under the provisions of section 96.7, subsection 2, paragraph "b". Relief of charges under this paragraph applies to both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5.

Because Unity purchased Central, and did not continue the business relationship with Health, there was no longer work available to claimant with Health. Therefore, the separation was attributable to a lack of work by Health. The administrative record is not clear about whether Unity is a successor employer of Health and how that may affect any charges to either account. Any questions regarding that issue may be addressed to the Tax Bureau of IWD.

DECISION:

The September 22, 2017, (reference 04) unemployment insurance decision is affirmed. The claimant was laid off due to a lack of work. Benefits are allowed, provided the claimant is otherwise eligible.

Dévon M. Lewis
Administrative Law Judge

Decision Dated and Mailed

dml/scn