

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

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

STACEY NABER
Claimant

APPEAL NO: 14A-UI-07862-DWT

**ADMINISTRATIVE LAW JUDGE
DECISION**

MEREDITH CORPORATION
Employer

**OC: 07/06/14
Claimant: Appellant (2)**

Iowa Code § 96.5(2)a - Discharge

PROCEDURAL STATEMENT OF THE CASE:

The claimant appealed a representative's appealed a representative's July 23, 2014 determination (reference 01) that disqualified her from receiving benefits and held the employer's account exempt from charge because she had been discharged for disqualifying reasons. The claimant participated at the August 21 hearing with her attorney, Eric Updegraff. Rebecca Hughes, the director of human resources, appeared on the employer's behalf. Based on the evidence, the arguments of the parties, and the law, the administrative law judge concludes the claimant is qualified to receive benefits.

ISSUE:

Did the employer discharge the claimant for reasons constituting work-connected misconduct?

FINDINGS OF FACT:

The claimant started working for the employer on December 3, 2013. The employer hired the claimant to work full time as a payroll team lead. The claimant was a payroll processor and had a high security to access the employer's tax module in the payroll system.

The claimant understood the employer required employees to sign documents verifying certain changes had been made. The required documents indicated an employee authorized a change in exemptions for tax purposes. The employer has a self-service system employees can use to change the number of exemptions for tax purposes. When employees use the self-service system, the necessary documents are generated for the employee to sign. In February 2014, the claimant used the employer's self-service system to change the number of her exemptions. The claimant used the correct procedure in February to change her exemptions for tax purposes.

During the week of May 19, the claimant's immediate supervisor was on vacation. The claimant needed extra money. She decided she would change the number of her tax exemptions so the employer would not take out as much money for taxes on her upcoming payroll check. The claimant asked the senior payroll clerk, who had trained the claimant, if she would make the changes for the claimant or if the claimant could do the changes herself. The claimant

understood that she could go directly into the payroll system and change the number of her exemptions. The claimant understood the employer required the supporting documents for these changes and she planned to sign them, but forgot. The claimant did not use the self-service system this time to make these changes.

When the claimant's supervisor returned from vacation, the employer learned about the tax exemption changes the claimant made for herself, had not signed any supporting documentation to verify she had authorized the changes. When the employer talked to the claimant on May 28, the claimant acknowledged she made the changes. Even though the claimant had not understood the seriousness of her failure to sign written documentation before May 28, she understood the seriousness when the employer talked to her on May 28. The employer told the claimant that her actions could have put the employer at risk for non-compliance and she had abused her security rights as the keeper for the employer's tax documents and as the employer's tax processor. Even though the claimant's job was not in jeopardy before May 28, the employer discharged her for violating the employer's policy and procedure when she changed her tax exemptions without completing the necessary documentation to support or verify the change. As a result of this incident, the employer lost trust in the claimant's judgment.

REASONING AND CONCLUSIONS OF LAW:

A claimant is not qualified to receive unemployment insurance benefits if an employer discharges her for reasons constituting work-connected misconduct. Iowa Code § 96.5(2)a. The employer has the burden to prove the claimant was discharged for work-connected misconduct as defined by the unemployment insurance law. *Cosper v. Iowa Department of Job Service*, 321 N.W.2d 6 (Iowa 1982). The propriety of a discharge is not at issue in an unemployment insurance case. An employer may be justified in discharging an employee, but the employee's conduct may not amount to misconduct precluding the payment of unemployment compensation. The law limits disqualifying misconduct to willful wrongdoing or repeated carelessness or negligence that equals willful misconduct in culpability. *Lee v. Employment Appeal Board*, 616 N.W.2d 661, 665 (Iowa 2000).

The law defines misconduct as:

1. A deliberate act and a material breach of the duties and obligations arising out of a worker's contract of employment.
2. A deliberate violation or disregard of the standard of behavior the employer has a right to expect from employees. Or
3. An intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to the employer.

Inefficiency, unsatisfactory conduct, unsatisfactory performance due to inability or incapacity, inadvertence or ordinary negligence in isolated incidents, or good faith errors in judgment or discretion do not amount to work-connected misconduct. 871 IAC 24.32(1)(a).

The employer acknowledges that if the claimant had followed up with the necessary written documentation, changing the number of her exemptions for taxes would not have been a problem. The claimant does not dispute that she failed to follow the employer's policy when she did not sign the written documents supporting or verifying that her tax exemptions were changed and she had authorized the changes. The claimant intended to sign the necessary documents, but forgot. Since the claimant's job was not in jeopardy prior to May 28, 2014, this isolated incident, while serious, does not rise to the level of work-connected misconduct.

The employer established business reasons for discharging the claimant – loss of trust and concluding the claimant breached her security rights. But the facts do not establish that the claimant intended to violate the employer's policy. Instead, she intended to follow-up the changes with written documents, but forgot when she became busy. This of course demonstrates the need for all employees to use the self-service method to change tax exemptions. The claimant's poor judgment in May does not rise to the level of work-connected misconduct. As of July 6, 2014, the claimant is qualified to receive benefits.

DECISION:

The representative's July 23, 2014 determination (reference 01) is reversed. The employer discharged the claimant for business reasons, but the claimant did not commit work-connected misconduct. As of July 6, 2014, the claimant is qualified to receive benefits, provided she meets all other eligibility requirements. The employer's account is subject to charge.

Debra L. Wise
Administrative Law Judge

Decision Dated and Mailed

dlw/pjs