

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**CHELSIE L VER MULM**  
Claimant

**APPEAL NO. 17A-UI-07966-B2T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**NOVARTIS ANIMAL HEALTH US INC**  
Employer

**OC: 06/18/17**  
**Claimant: Appellant (1)**

Iowa Code § 96.3-5 – Duration of Benefits (Employer Going Out of Business/Re-computation of Wage Credits)

**STATEMENT OF THE CASE:**

Claimant filed an appeal from a decision of a representative dated August 2, 2017, reference 03, which held claimant ineligible for business closing benefits pursuant to Iowa Code § 96.3-5 insurance benefits. After due notice, a hearing was scheduled for and held on August 24, 2017. Claimant participated personally. Employer failed to respond to the hearing notice and did not participate.

**ISSUE:**

The issue presented in this appeal is whether the claimant was laid off due to the employer going out of business and, therefore, is entitled to have the wage credits re-computed.

**FINDINGS OF FACT:**

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds: Claimant was laid off by employer on June 15, 2017 because employer decided to shut down the research portion of the facility where claimant worked. Claimant was not offered alternative job opportunities when the facility shut down the research area, and the other research facility taking over the functions of claimant's facility was located over three hours away, and the job requirements couldn't be met by claimant.

The facility where claimant worked is still in operation, although the research section has closed.

**REASONING AND CONCLUSIONS OF LAW:**

Iowa Code § 96.3(5)a provides:

- a. Duration of benefits. The maximum total amount of benefits payable to an eligible individual during a benefit year shall not exceed the total of the wage credits accrued to the individual's account during the individual's base period, or twenty-six times the individual's weekly benefit amount, whichever is the lesser. The director shall maintain a separate account for each individual who earns wages in insured work. The director

shall compute wage credits for each individual by crediting the individual's account with one-third of the wages for insured work paid to the individual during the individual's base period. However, the director shall recompute wage credits for an individual who is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, by crediting the individual's account with one-half, instead of one-third, of the wages for insured work paid to the individual during the individual's base period. Benefits paid to an eligible individual shall be charged against the base period wage credits in the individual's account which have not been previously charged, in the inverse chronological order as the wages on which the wage credits are based were paid. However if the state "off" indicator is in effect and if the individual is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, the maximum benefits payable shall be extended to thirty-nine times the individual's weekly benefit amount, but not to exceed the total of the wage credits accrued to the individual's account.

The administrative law judge holds that the claimant was not laid off as a result of the employer going out of business and, therefore, is not entitled to a re-computation of wage credits. Claimant is still eligible to continue receiving ordinary unemployment benefits.

**DECISION:**

The decision of the representative dated August 2, 2017, reference 03 is affirmed. The claimant is not entitled to have the unemployment insurance claim re-determined as a business closing, including a re-computation of wage credits. The claimant's request for such re-determination and re-computation is denied.

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Blair A. Bennett  
Administrative Law Judge

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Decision Dated and Mailed

bab/rvs