

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

Jodi L. Payne
Claimant

APPEAL 20A-UI-07356-BH-T
ADMINISTRATIVE LAW JUDGE
DECISION

Jeanilynn LLC
Employer

OC: 09/08/19
Claimant: Appellant (2)

Iowa Code section 96.5(1) – Voluntary Quit

Iowa Administrative Code rule 871-24.25 – Voluntary Quit Without Good Cause Attributable to the Employer

Iowa Administrative Code rule 871-24.26 – Voluntary Quit With Good Cause Attributable to the Employer

STATEMENT OF THE CASE:

The claimant, Jodi L. Payne, appealed the June 24, 2020 (reference 04) unemployment insurance decision that denied benefits based upon a finding Payne voluntary quit her job with Jeanilynn LLC (Jeanilynn) without good cause attributable to the employer. The agency properly notified the parties of the appeal and hearing.

The undersigned presided over a telephone hearing on August 6, 2020. Payne participated personally and testified. Jeanilynn did not participate.

ISSUES:

Was Payne's separation from employment with Jeanilynn a layoff, discharge for misconduct, or voluntary quit without good cause attributable to the employer?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the undersigned finds the following facts.

Jeanilynn hired Payne in or around March of 2016. She worked full time as a server at first. Her immediate supervisor was Jeani Johnson, the owner. Johnson ultimately reduced Payne's hours to part time, which is the primary reason why she quit her job effective March 1, 2020.

Payne is enrolled at the University of Northern Iowa. Jeanilynn scheduled her shifts to accommodate her class schedule. Payne typically worked a Friday night shift, a double shift on

Saturday, a double shift on Sunday, and a Monday night shift. Working this schedule, Payne earned between \$400 and \$600 most weeks.

Payne had a personal incident on her birthday in the fall of 2019. She disclosed the incident to Johnson. After the incidence, Johnson's treatment of Payne changed. Johnson falsely accused Payne of asking customers for money and sharing information about the incident.

After Payne's personal incident, Johnson reduced her hours. Instead of scheduling Payne to work multiple shifts from Friday through Monday, Johnson would schedule Payne for fewer shifts. It became common for Payne to work only one shift. The reduction in hours caused Payne to earn less money. Her weekly wages went down from the \$400-to-\$600 range to a range of \$40 to \$100.

On Friday, March 1, 2020, Payne had to go to the bank to handle a matter involving her personal accounts. The bank opened at 10:00 a.m. Payne was scheduled to start her shift at 10:00 a.m. Payne texted Abby, Johnson's sister, to let her know that she would be late. While Payne was on her way from the bank to work, Johnson called Payne and accused her of lying about where she had been. Payne told Johnson that it would be best if they parted ways.

Payne voluntarily left employment with Jeanilynn for multiple reasons. The primary reason was the change in the contract of hire. Between 80 and 90 percent of Payne's reason for quitting was Jeanilynn significantly reducing her hours, which correspondingly caused a substantial reduction in her pay. According to Payne, Johnson's false accusations against her provided the other 10 to 20 percent of her motivation for quitting.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the undersigned concludes Payne voluntarily left employment with Jeanilynn with good cause attributable to the employer under the Iowa Employment Security Law, Iowa Code chapter 96.

Iowa Code section 96.5(1) disqualifies a claimant from benefits if the claimant quit she job without good cause attributable to the employer. The Iowa Supreme Court has held that good cause requires "real circumstances, adequate excuses that will bear the test of reason, just grounds for the action, and always the element of good faith." *Wiese v. Iowa Dep't of Job Serv.*, 389 N.W.2d 676, 680 (Iowa 1986). Moreover, the court has advised that "common sense and prudence must be exercised in evaluating all of the circumstances that lead to an employee's quit in order to attribute the cause for the termination." *Id.*

According to the Iowa Supreme Court, good cause attributable to the employer does not require fault, negligence, wrongdoing or bad faith by the employer. *Dehmel v. Emp't Appeal Bd.*, 433 N.W.2d 700, 702 (Iowa 1988). Good cause may be attributable to "the employment itself" rather than the employer personally and still satisfy the requirements of the Act. *E.g. Raffety v. Iowa Emp't Sec. Comm'n*, 76 N.W.2d 787, 788 (Iowa 1956).

A burden-shifting framework is used to evaluate quit cases. Because an employer may not know why a claimant quit, the claimant has the initial burden to produce evidence suggesting the claimant is not disqualified from benefits under Iowa Code section 96.5(1) *a* through *j* and section 96.10. If the claimant produces such evidence, the employer has the burden to prove the claimant is disqualified from benefits under section 96.5(1).

Iowa Administrative Code rule 871-24.25 creates a presumption a claimant quit without good cause attributable to the employer in certain circumstances. Iowa Administrative Code rule 871-24.26 identifies reasons for quitting that are considered for good cause attributable to the employer. Under rule 871-24.26(1):

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.

Here, the evidence shows that Jeanilynn willfully breached its contract of hire with Payne. Jeanilynn substantially changed the contract of hire with Payne when it significantly reduced her working hours, which correspondingly cut her remuneration from about \$400 to \$600 per week to about \$40 to \$100 per week. This is the primary reason Payne quit her job with Jeanilynn.

Moreover, Iowa Administrative Code rule 871-24.26(4) states that quitting due to intolerable or detrimental working conditions constitutes leaving for good cause attributable to the employer. The evidence shows that Jeanilynn created intolerable or detrimental working conditions for Payne by subjecting her to false accusations. Thus, the remaining share of Payne's reasoning for quitting is not disqualifying.

For these reasons, the evidence establishes Payne voluntarily left employment with Jeanilynn for good attributable to the employer. Payne is therefore entitled to regular unemployment insurance benefits, provided she is otherwise eligible under state law.

DECISION:

The June 24, 2020 (reference 04) unemployment insurance decision is reversed. Payne voluntarily left employment with good cause attributable to Jeanilynn. Payne is entitled to benefits, provided she is otherwise eligible under the law.



Ben Humphrey
Administrative Law Judge

August 11, 2020
Decision Dated and Mailed

bh/mh