



DEPARTMENT OF HUMAN RESOURCES  
EMPLOYMENT SECURITY ADMINISTRATION

1100 NORTH EUTAW STREET  
BALTIMORE, MARYLAND 21201

383 - 5032

- DECISION -

STATE OF MARYLAND

HARRY HUGHES  
Governor

KALMAN R. HETTLEMAN  
Secretary

BOARD OF APPEALS

THOMAS W. KEACH  
Chairman

HAZEL A. WARNICK  
MAURICE E. DILL  
Associate Members

SEVERN E. LANIER  
Appeals Counsel

DECISION NO.: 638-BR-82

DATE: May 24, 1982

APPEAL NO.: 18794

S. S. NO.:

L. O. NO.: 15

APPELLANT: CLAIMANT

CLAIMANT: Betty G. Yingling

EMPLOYER: The Hub

ISSUE Whether the Claimant's unemployment was due to leaving work voluntarily, without good cause, within the meaning of Section 6(a) of the Law.

NOTICE OF RIGHT OF APPEAL TO COURT

YOU MAY FILE AN APPEAL FROM THIS DECISION IN ACCORDANCE WITH THE LAWS OF MARYLAND. THE APPEAL MAY BE TAKEN IN PERSON OR THROUGH AN ATTORNEY IN THE SUPERIOR COURT OF BALTIMORE CITY, OR THE CIRCUIT COURT OF THE COUNTY IN MARYLAND IN WHICH YOU RESIDE.

THE PERIOD FOR FILING AN APPEAL EXPIRES AT MIDNIGHT June 23, 1982

- APPEARANCES -

FOR THE CLAIMANT:

Betty G. Yingling - Claimant

FOR THE EMPLOYER:

Herman Rosenberg-  
Owner

FINDINGS OF FACT

The Claimant and her husband were long time employees with The Hub, a retail store in Westminster, Maryland. She quit her job on June 25, 1981 when her husband resigned on that date.

The Claimant and her husband quit their jobs because of a longstanding disagreement with management over insurance benefits. The Employer paid two-thirds of the cost of an insurance program insuring against death, accidental death, dismemberment and disability. The Claimant and her husband, as employees, paid one-third of the cost of the program, as it applied to them. The size of the benefits increased as did the cost of the insurance, and the employees' contribution was based upon the employees' annual rate of basic earnings. An employee earning an annual rate of base pay of less than \$5,000 was entitled to \$40 in weekly disability benefits; an employee whose basic salary rate was \$5,000 to \$7,500 could qualify for a \$65 weekly payment; and, an employee earning a basic salary of between \$7,500 and \$10,000 qualified for a \$90 disability payment. An employee earning from \$10,000 to \$12,500 qualified for \$110 per week in disability payments.

The Claimant paid \$7.77 every two weeks as her one-third contribution toward the cost of the insurance. The Employer paid twice that amount. This was the lowest charge and qualified the Claimant for a \$40 disability payment. When the Claimant was ill for eight weeks in February and March of 1980, she received seven checks from the insurance company in the amount of \$40 each. There is a one week deductible feature, so that for the first week that an employee is disabled no payment is due.

The Claimant's husband was out of work when he was hospitalized for surgery in June of 1981. He received disability payment checks from the AETNA Insurance Company in the amount of \$65 for the weeks he was out of work after the first week. Because he was a salaried employee (not an hourly rate employee), the Employer made up the difference between his weekly pay rate of \$215 and the \$65 he received from the Employer. The Claimant's husband's annual basic salary rate qualified him to pay a higher premium and to receive \$110 per week in disability benefits.

The Claimant's husband quit his job because he felt he should have received the \$110 per week disability payments, that the Employer should have paid two-thirds of the higher premium, and that he should have been eligible for higher insurance benefits. The Claimant quit when her husband did.

The Claimant did not, when she was ill in April and March of 1980, receive the difference between her salary and the \$48 disability payment checks from the insurance company. This was because she was an hourly rate employee, earning \$5 per hour.

Her annual basic earning rate was \$7,386 per year, plus an entirely discretionary bonus at the end of the year. This bonus during the year 1980 amounted to \$600.

Under the insurance plan, she should have been eligible to pay one-third of an increased premium and should have been eligible for \$65 disability payment for each of the seven weeks she was disabled in February and March of 1980, had the Employer complied with the insurance agreement.

Neither the Claimant, nor her husband had a new job to go to at the time they resigned their employment with The Hub.

#### CONCLUSIONS OF LAW

The Employer in this case failed to live up to its obligations under the contract of employment. Under the contract of employment, the Employer operated an insurance program for the benefit of the employees. This program required the employees to contribute one-third of the cost of the program, and two-thirds were to be contributed by the Employer. The Employer, by not reporting the appropriate salary to the insurance company and not deducting the appropriate contribution from the wages of the Claimant, violated its employment contract with her.

The violation resulted in the Claimant receiving lower benefits for disability when she was ill. Unlike her husband, who suffered no actual loss on account of the Employer's failure, the Claimant suffered real monetary loss. By the time her husband's problem revealed that the Employer had no intention of remedying the situation, the Claimant had frequently requested that the Employer live up to the terms of the contract. The Claimant was entitled to have the Employer live up to its agreement, and the Employer's failure to live up to its agreement constituted good cause for the Claimant to terminate the employment relationship.

#### DECISION

The unemployment of the Claimant was due to voluntarily quitting her job, with good cause, within the meaning of Section 6(a) of the Maryland Unemployment Insurance Law. She is eligible for unemployment insurance benefits for the week beginning June 21, 1981 and thereafter, if otherwise eligible under the Law.

*Thomas W. Keech*  
\_\_\_\_\_  
Chairman

*Hazel A. Warrick*  
\_\_\_\_\_  
Associate Member

K:W  
zvs

DATE OF HEARING: April 12, 1982.

COPIES MAILED TO:

CLAIMANT

EMPLOYER

UNEMPLOYMENT INSURANCE - WESTMINSTER



STATE OF MARYLAND  
 HARRY HUGHES  
 Governor  
 KALMAN R. HETTLEMAN  
 Secretary

DEPARTMENT OF HUMAN RESOURCES  
 EMPLOYMENT SECURITY ADMINISTRATION  
 1100 NORTH EUTAW STREET  
 BALTIMORE, MARYLAND 21201  
 383 - 5040

BOARD OF APPEALS

JOHN J. KENT  
 Chairman  
 HENRY G. SPECTOR  
 HAZEL A. WARNICK  
 Associate Members

SEVERN E. LANIER  
 Appeals Counsel

GARY SMITH  
 Hearings Officer

- DECISION -

CLAIMANT: Betty G. Yingling

DATE: August 18, 1981

APPEAL NO.: 18794 EP

S. S. NO.:

EMPLOYER: The Hub

L. O. NO.: 15

APPELLANT: Employer

ISSUE: Whether the claimant's unemployment was due to leaving work voluntarily, without good cause, within the meaning of Section 6(a) of the Law.

NOTICE OF RIGHT OF FURTHER APPEAL

ANY INTERESTED PARTY TO THIS DECISION MAY REQUEST A FURTHER APPEAL AND SUCH APPEAL MAY BE FILED IN ANY EMPLOYMENT SECURITY OFFICE, OR WITH THE APPEALS DIVISION, ROOM 515, 1100 NORTH EUTAW STREET, BALTIMORE, MARYLAND 21201, EITHER IN PERSON OR BY MAIL.

THE PERIOD FOR FILING A FURTHER APPEAL EXPIRES AT MIDNIGHT ON

September 2, 1981

- APPEARANCES -

FOR THE CLAIMANT:

Present, accompanied by Charles Yingling

FOR THE EMPLOYER:

Represented  
 by Mr. Herman  
 Rosenberg, Owner

FINDINGS OF FACT

The claimant was employed by The Hub for 13 years as a shoe department manager earning \$5.25 an hour or \$7,982.00 a year until her last day of work June 25, 1981.

The employer carried life, accidental death and dismemberment insurance on the claimant which premiums were paid one third by the claimant. These premiums were paid on a scale of what the claimant earned. The claimant was hospitalized in February 1980 and released in March 1980. The employer paid the premium at a

lower pay scale than what the claimant actually earned. As a result the claimant was paid disability benefits in the amount of \$40.00 instead of what she would have been entitled to in the amount of \$90.00. The employer deducted \$40.00 from the claimant's salary but paid the claimant her salary. However, had the claimant been killed in an accidental death the claimant's heirs would have been paid less. Later, the claimant's husband who also worked for this employer became disabled. The employer also paid a lower premium rate at a lower pay scale on the husband so that he received \$65.00 instead of \$100.00 he would have been entitled to. Again, in this situation the employer paid the claimant's husband the salary deducting the \$65.00. The claimant's husband quit this employment and so did the claimant.

The claimant also complained that when she worked she was paid for the Thanksgiving holidays and then because of phlebitis under the doctor's advise was not to report to work until January 1, 1981. However, the claimant did report for work full-time December 24, 1981 and was not paid for Christmas and New Years. Also the claimant resented that she worked 9 hours and was paid only for seven hours.

At the time of the hearing the claimant was unemployed.

#### COMMENTS

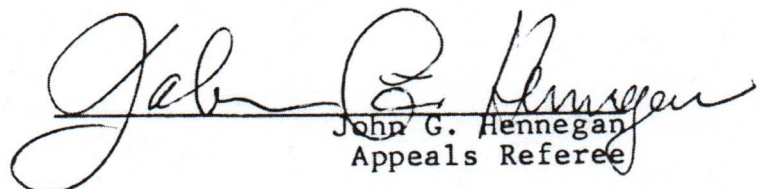
The claimant's primary reason for quitting this employment was because the employer did not pay the full premium on what the claimant's husband had earned and as a result the claimant's husband received a lesser benefit when he was disabled. As the employer paid the claimant's husband his full salary deducting the benefit amount the claimant did not have good cause to voluntarily quit this employment within the meaning of the Maryland Unemployment Insurance Law and therefore the determination of the Claims Examiner that the claimant was separated for a non-disqualifying reason will be reversed.

There appearing no valid compelling circumstances for the claimant to quit this employment only the maximum disqualification can be imposed.

#### DECISION

The unemployment of the claimant was due to leaving work voluntarily without good cause within the meaning of Section 6(a) of the Maryland Unemployment Insurance Law. She is disqualified from receiving benefits for the week beginning June 21, 1981 and until she becomes reemployed and earns at least ten times her weekly benefit amount (\$1,090) and thereafter becomes unemployed through no fault of her own.

The determination of the Claims Examiner is reversed.

  
John G. Hennegan  
Appeals Referee

Date of hearing: August 12, 1981  
jlt  
(8788--?)

Copies mailed to:

Claimant

Employer

Unemployment Insurance - Westminster