

EMPLOYMENT APPEALS BOARD DECISION
2026-EAB-0390

Reversed & Remanded

PROCEDURAL HISTORY: On February 18, 2026, the Oregon Employment Department (the Department) served notice of an administrative decision concluding that claimant voluntarily quit work without good cause and was therefore disqualified from receiving unemployment insurance benefits effective January 11, 2026 (decision # L0016316940).¹ Claimant filed a timely request for hearing. On April 1, 2026, ALJ Hall conducted a hearing at which the employer failed to appear, and on April 3, 2026 issued Order No. 26-UI-326004, affirming decision # L0016316940. On April 22, 2026, claimant filed an application for review with the Employment Appeals Board (EAB).

WRITTEN ARGUMENT: Claimant did not state that she provided a copy of her argument to the employer as required by OAR 471-041-0080(2)(a) (May 13, 2019). The argument also contained information that was not part of the hearing record and did not show that factors or circumstances beyond claimant's reasonable control prevented her from offering the information during the hearing as required by OAR 471-041-0090 (May 13, 2019). EAB considered only the information received into evidence at the hearing. *See* ORS 657.275(2).

FINDINGS OF FACT: (1) NW Engineers, LLC employed claimant as an accounting manager from November 2014 through January 15, 2026.

(2) In 2025, claimant worked 40 hours per week and was paid \$45 per hour. On December 29, 2025, the employer told claimant that, to cut expenses, her work week would be reduced to 28 hours and her rate of pay to \$40 per hour, effective January 1, 2026, unless she decided to instead resign. Claimant worked from home, and the monthly cost of continuing to work for the employer would not have exceeded \$400.

¹ Decision # L0016319640 stated that claimant was denied benefits from January 11, 2026 to January 9, 2027. However, decision # L0016316940 should have stated that claimant was disqualified from receiving benefits beginning Sunday, January 11, 2026, and until she earned four times her weekly benefit amount. *See* ORS 657.176.

(3) On approximately December 31, 2025, in response to the planned reductions in her work hours and rate of pay, claimant gave notice of her resignation, effective January 15, 2026. Claimant was allowed to continue working full time at a rate of \$45 per hour through the effective date of her resignation. During the notice period, claimant sought other full-time employment and found some job postings in which she was interested, but felt she had insufficient time to devote to her job search while continuing to work 40 hours per week for the employer and training her replacement.

(4) On January 15, 2026, claimant quit working for the employer as expected.

CONCLUSIONS AND REASONS: Order No. 26-UI-326004 is set aside, and the matter remanded for further development of the record.

A claimant who leaves work voluntarily is disqualified from the receipt of benefits unless they prove, by a preponderance of the evidence, that they had good cause for leaving work when they did. ORS 657.176(2)(c); *Young v. Employment Dept.*, 170 Or App 752, 13 P3d 1027 (2000). “Good cause . . . is such that a reasonable and prudent person of normal sensitivity, exercising ordinary common sense, would leave work.” OAR 471-030-0038(4) (September 22, 2020). “[T]he reason must be of such gravity that the individual has no reasonable alternative but to leave work.” OAR 471-030-0038(4). The standard is objective. *McDowell v. Employment Dept.*, 348 Or 605, 612, 236 P3d 722 (2010).

A claimant who leaves work due to a reduction in hours “has left work without good cause unless continuing to work substantially interferes with return to full time work or unless the cost of working exceeds the amount of remuneration received.” OAR 471-030-0038(5)(e).

A claimant who leaves work due to a reduction in pay has left work without good cause unless “the newly reduced rate of pay is ten percent or more below the median rate of pay for similar work in the individual’s normal labor market area. The median rate of pay in the individual’s labor market shall be determined by employees of the Employment Department adjudicating office using available research data compiled by the department.” OAR 471-030-0038(5)(d).

OAR 471-030-0038(5)(d) also provides, in relevant part:

* * *

(A) This section applies only when the employer reduces the rate of pay for the position the individual holds. It does not apply when an employee’s earnings are reduced as a result of transfer, demotion or reassignment.

(B) An employer does not reduce the rate of pay for an employee by changing or eliminating guaranteed minimum earnings, by reducing the percentage paid on commission, or by altering the calculation method of the commission.

(C) An employer does not reduce the rate of pay by loss or reduction of fringe benefits.

(D) If the Employment Department cannot determine the median rate of pay, the provisions of OAR 471-030-0038(4) apply.

Claimant quit work because the employer planned to reduce her work hours from 40 to 28 per week, and her rate of pay from \$45 to \$40 per hour. The order under review correctly concluded that, to the extent claimant quit work due to a reduction in work hours, she did so without good cause under OAR 471-030-0038(5)(e). Order No. 26-UI-326004 at 3. The order under review also concluded that, to the extent claimant quit work due to a reduction in the rate of pay, she did so without good cause because while OAR 471-030-0038(5)(d) was otherwise applicable, the Department's failure to supply the median rate of pay for similar work in claimant's normal labor market area rendered the provision inapplicable pursuant to OAR 471-030-0038(5)(d)(D); and under the standard good cause analysis of OAR 471-030-0038(4), the approximately eleven percent decrease in her rate of pay did not constitute a grave situation. Order No. 26-UI-326004 at 3. However, the record as developed does not support the conclusion regarding the applicability of OAR 471-030-0038(5)(d)(D), and further development of the record is warranted to attempt to obtain from the Department the relevant median rate of pay.

To the extent claimant quit work due to the reduction in hours, OAR 471-030-0038(5)(e) precludes a finding of good cause on that basis "unless continuing to work substantially interferes with return to full time work or unless the cost of working exceeds the amount of remuneration received." Claimant testified that she believed continuing to work for the employer part time would have "definitely" interfered with finding full-time work with another employer. Audio Record at 18:44. However, when asked how it would have interfered, claimant listed various work tasks that the employer expected her to perform. Audio Record at 18:54. Moreover, claimant testified that during the notice period she was able to locate some job postings of interest, but felt she was unable to devote sufficient time to pursuing them while training her replacement and working 40 hours per week for the employer. Audio Record at 22:50.

As the conditions that interfered with claimant's ability to search for work during the notice period would not have existed had she continued to work for the employer part time, and she would have been limited to performing any work tasks for the employer for only 28 hours per week regardless of their complexity, claimant has not shown that continuing to work part time would have been a substantial impediment to obtaining other full-time work. Regarding the cost of continuing to work for the employer, claimant estimated them to be approximately \$400 per month, or the equivalent of ten hours' pay under the reduced rate. Audio Record at 18:20. As claimant would have worked 28 hours per week, the cost of continuing to work for the employer would not have exceeded her remuneration. Therefore, OAR 471-030-0038(5)(e) precludes a finding of good cause based on the reduction in claimant's work hours.

To the extent claimant quit work due to the reduction in rate of pay, OAR 471-030-0038(5)(d) precludes a finding of good cause unless "the newly reduced rate of pay is ten percent or more below the median rate of pay for similar work in the individual's normal labor market area." The record shows that the reduction in rate of pay was motivated by the employer's financial concerns, and did not constitute a transfer, demotion, or reassignment. Further, claimant was not paid on a commission basis, and the change in compensation did not involve fringe benefits. Therefore, the criteria in OAR 471-030-0038(5)(d)(A)-(C) that would render the provision inapplicable were not present. Under OAR 471-030-0038(5)(d)(D), OAR 471-030-0038(5)(d) is also inapplicable, and the standard good cause analysis of OAR 471-030-0038(4) instead applies, if the Department "cannot determine the median rate of pay."

The record as presently developed does not contain a finding from the Department regarding the median rate of pay for similar work in claimant's normal labor market area, presumably because the adjudicator handling the matter concluded that claimant quit work primarily or exclusively due to the reduction in hours, rather than the reduction in rate of pay.² Thus, the record fails to show that the Department *could not* determine the relevant median rate of pay, only that it did not provide that information for the hearing and had not been requested to do so. It is therefore necessary to remand the matter to attempt to obtain this information from the Department. If the Department is able to supply the information on remand, a determination should be made as to whether \$40 per hour is ten percent or more below the median rate of pay. If the Department is unable to determine the median rate of pay on remand, OAR 471-030-0038(5)(d) is inapplicable, and the standard good cause analysis of OAR 471-030-0038(4) should again be applied.

ORS 657.270 requires the ALJ to give all parties a reasonable opportunity for a fair hearing. That obligation requires the ALJ to ensure that the record developed at the hearing shows a full and fair inquiry into the facts necessary to consider all the issues before the ALJ. ORS 657.270(3); *see accord Dennis v. Employment Division*, 302 Or 160, 728 P2d 12 (1986). Because further development of the record is necessary to decide whether claimant voluntarily quit work with good cause, Order No. 26-UI-326004 is reversed and this matter remanded to the Office of Administrative Hearings for another hearing and order.

DECISION: Order No. 26-UI-326004 is set aside, and this matter remanded for further proceedings consistent with this order.

D. Hettle and A. Steger-Bentz;
S. Serres, not participating.

DATE of Service: June 2, 2026

NOTE: The failure of any party to appear at the hearing on remand will not reinstate Order No. 26-UI-326004 or return this matter to EAB. Only a timely application for review of the order mailed to the parties after the remand hearing will return this matter to EAB.

Please help us improve our service by completing an online customer service survey. To complete the survey, please go to <https://www.surveygizmo.com/s3/5552642/EAB-Customer-Service-Survey>. If you are unable to complete the survey online and wish to have a paper copy of the survey, please contact our office.

² *See* decision # L0016316940 at 1 (stating the reason for claimant's disqualification from benefits as: "You were employed by NW Engineers LLC until January 14, 2026 when you quit work because your hours were reduced. This was not a reason of such gravity that you had no alternative but to leave work.").



Understanding Your Employment Appeals Board Decision

English

Attention – This decision affects your unemployment benefits. If you do not understand this decision, contact the Employment Appeals Board immediately. If you do not agree with this decision, you may file a Petition for Judicial Review with the Oregon Court of Appeals following the instructions written at the end of the decision.

Simplified Chinese

注意 – 本判決會影響您的失業救濟金。如果您不明白本判決，請立即聯繫就業上訴委員會。如果您不同意此判決，您可以按照該判決結尾所寫的說明，向俄勒岡州上訴法院提出司法複審申請。

Traditional Chinese

注意 – 本判決會影響您的失業救濟金。如果您不明白本判決，請立即聯繫就業上訴委員會。如果您不同意此判決，您可以按照該判決結尾所寫的說明，向俄勒岡州上訴法院提出司法複審申請。

Tagalog

Paalala – Nakakaapekto ang desisyong ito sa iyong mga benepisyo sa pagkawala ng trabaho. Kung hindi mo naiintindihan ang desisyong ito, makipag-ugnayan kaagad sa Lupon ng mga Apela sa Trabaho (Employment Appeals Board). Kung hindi ka sumasang-ayon sa desisyong ito, maaari kang maghain ng isang Petisyon sa Pagsusuri ng Hukuman (Petition for Judicial Review) sa Hukuman sa Paghahabol (Court of Appeals) ng Oregon na sinusunod ang mga tagubilin na nakasulat sa dulo ng desisyon.

Vietnamese

Chú ý - Quyết định này ảnh hưởng đến trợ cấp thất nghiệp của quý vị. Nếu quý vị không hiểu quyết định này, hãy liên lạc với Ban Kháng Cáo Việc Làm ngay lập tức. Nếu quý vị không đồng ý với quyết định này, quý vị có thể nộp Đơn Xin Tái Xét Tư Pháp với Tòa Kháng Cáo Oregon theo các hướng dẫn được viết ra ở cuối quyết định này.

Spanish

Atención – Esta decisión afecta sus beneficios de desempleo. Si no entiende esta decisión, comuníquese inmediatamente con la Junta de Apelaciones de Empleo. Si no está de acuerdo con esta decisión, puede presentar una Aplicación de Revisión Judicial ante el Tribunal de Apelaciones de Oregon siguiendo las instrucciones escritas al final de la decisión.

Russian

Внимание – Данное решение влияет на ваше пособие по безработице. Если решение Вам непонятно – немедленно обратитесь в Апелляционный Комитет по Трудоустройству. Если Вы не согласны с принятым решением, вы можете подать Ходатайство о Пересмотре Судебного Решения в Апелляционный Суд штата Орегон, следуя инструкциям, описанным в конце решения.

Khmer

ចំណុចសំខាន់ – សេចក្តីសម្រេចនេះមានផលប៉ះពាល់ដល់អត្ថប្រយោជន៍គ្មានការងារធ្វើរបស់លោកអ្នក។ ប្រសិនបើលោកអ្នកមិនយល់អំពីសេចក្តីសម្រេចនេះ សូមទាក់ទងគណៈកម្មការឧទ្ធរណ៍ការងារភ្លាមៗ។ ប្រសិនបើលោកអ្នកមិនយល់ស្របចំពោះសេចក្តីសម្រេចនេះទេ លោកអ្នកអាចដាក់ពាក្យប្តឹងសុំឲ្យមានការពិនិត្យរឿងក្តីឡើងវិញជាមួយតុលាការឧទ្ធរណ៍រដ្ឋ Oregon ដោយអនុវត្តតាមសេចក្តីណែនាំដែលសរសេរនៅខាងចុងបញ្ចប់នៃសេចក្តីសម្រេចនេះ។

Laotian

ເອົາໃຈໃສ່ – ຄໍາຕັດສິນນີ້ມີຜົນກະທົບຕໍ່ກັບເງິນຊ່ວຍເຫຼືອການຫວ່າງງານຂອງທ່ານ. ຖ້າທ່ານບໍ່ເຂົ້າໃຈຄໍາຕັດສິນນີ້, ກະລຸນາຕິດຕໍ່ຫາຄະນະກຳມະການອຸທອນການຈ້າງງານໃນທັນທີ. ຖ້າທ່ານບໍ່ເຫັນດີນຳຄໍາຕັດສິນນີ້, ທ່ານສາມາດຍື່ນຄໍາຮ້ອງຂໍການທົບທວນຄໍາຕັດສິນນຳສານອຸທອນລັດ Oregon ໄດ້ໂດຍປະຕິບັດຕາມຄໍາແນະນຳທີ່ບອກໄວ້ຢູ່ຕອນທ້າຍຂອງຄໍາຕັດສິນນີ້.

Arabic

هذا القرار قد يؤثر على منحة البطالة الخاصة بك، إذا لم تفهم هذا القرار، إتصل بمجلس منازعات العمل فوراً، و إذا كنت لا توافق على هذا القرار، يمكنك رفع شكوى للمراجعة القانونية محكمة الإستئناف بأوريغون و ذلك بإتباع الإرشادات المدرجة أسفل القرار.

Farsi

توجه - این حکم بر مزایای بیکاری شما تاثیر می گذارد. اگر با این تصمیم موافق نیستید، بلافاصله با هیأت فرجام خواهی استخدام تماس بگیرید. اگر از این حکم رضایت ندارید، می‌توانید با استفاده از دستور العمل موجود در پایان آن، از دادگاه تجدید نظر اورگان درخواست تجدید نظر کنید.

Employment Appeals Board - 875 Union Street NE | Salem, OR 97311
 Phone: (503) 378-2077 | 1-800-734-6949 | Fax: (503) 378-2129 | TDD: 711
 Email: appealsboard@employ.oregon.gov
 Website: www.Oregon.gov/employ/pages/employment-appeals-board.aspx

The Oregon Employment Department is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Language assistance is available to persons with limited English proficiency at no cost.

El Departamento de Empleo de Oregon es un programa que respeta la igualdad de oportunidades. Disponemos de servicios o ayudas auxiliares, formatos alternos y asistencia de idiomas para personas con discapacidades o conocimiento limitado del inglés, a pedido y sin costo.