

SUPREME COURT OF VERMONT

St. Martin v. Department of Labor

191 Vt. 577 (2012) · Decided January 30, 2012

SUMMARY

The Vermont Supreme Court reversed the Employment Security Board's determination that the claimant voluntarily left employment without good cause attributable to her employer. The court held that the claimant reasonably quit after being told that the employer could not pay her wages, and that the later clearing of her paycheck did not negate the reasonableness of her belief at the time of separation.

CASE DETAILS

COURT	Supreme Court of Vermont
JURISDICTION	Vermont
DECIDED	January 30, 2012
DISPOSITION	reversed
PROCEDURAL POSTURE	Claimant appealed the Employment Security Board's determination that she voluntarily left employment without good cause attributable to her employer and was therefore disqualified from unemployment benefits.
STANDARD OF REVIEW	The Board's factual findings are affirmed if supported by credible evidence, even if substantial evidence supports a contrary result. Legal conclusions are affirmed if fairly and reasonably supported by the findings of fact; erroneous findings or conclusions must be reversed.
PRECEDENTIAL VALUE	Published Vermont Supreme Court opinion; precedential.
PARTIES	St. Martin v. Department of Labor

TOPICS

unemployment benefits administrative law appellate procedure standard of review employment law

PRACTICE AREAS

employment law unemployment benefits administrative law

QUESTIONS PRESENTED

1. Whether claimant had good cause attributable to her employer to voluntarily leave employment when the employer told her that she should expect not to be paid.
2. Whether the fact that the payroll checks ultimately cleared rendered claimant's belief at the time of separation unreasonable.
3. Whether the Board improperly applied *Kasnowski v. Department of Employment Security* to treat claimant's anticipated nonpayment as only a future possibility.

HOLDINGS

1. An employee has good cause attributable to the employer to leave employment when the employer affirmatively informs the employee that she should expect no compensation for her labor. The employer's statement constituted a present and actual event amounting to good cause, rather than a mere future possibility.
2. Later-occurring events, including the fact that the checks ultimately cleared, generally do not determine whether a claimant had good cause to quit. The relevant inquiry is what the claimant reasonably believed at the time of separation.
3. *Kasnowski v. Department of Employment Security* does not control where the employee is expressly told that she will not be paid; the present case is distinguishable from a quit based only on a speculative future possibility.

KEY QUOTATIONS

“The breach, giving rise to good cause to quit, occurred when the president informed her that she would not be paid.” (191 Vt. 579)

“The focus in a good cause inquiry is what the claimant reasonably believed at the time of separation, not what eventually comes to pass.” (191 Vt. 579)

“In sum, we hold that claimant should not be penalized for leaving her job where she was told to expect no paycheck for her labor.” (191 Vt. 579)

FACTUAL BACKGROUND

Claimant worked as an assistant financial supervisor and prepared payroll information for her employer. After the employer developed financial difficulties, its president told claimant not to submit payroll because there were insufficient funds and later told her that her paycheck would bounce. Claimant quit after receiving that information, although the payroll checks ultimately cleared and she later received and cashed another paycheck.

PROCEDURAL HISTORY

The Employment Security Board adopted the Administrative Law Judge's legal conclusions and denied claimant unemployment compensation because she quit in anticipation of a possible failure to receive wages. Claimant appealed to the Vermont Supreme Court, which reversed the Board's decision.

DISPOSITION

reversed

CASES CITED

- Allen v. Department of Employment Security, 141 Vt. 132, 134, 444 A.2d 892, 893 (1982)
- Cook v. Department of Employment & Training, 143 Vt. 497, 501, 468 A.2d 569, 571 (1983)
- Bouchard v. Department of Employment & Training, 174 Vt. 588, 589, 816 A.2d 508, 510 (2002) (mem.)
- Bombard v. Department of Labor, 2010 VT 100, ¶ 6, 189 Vt. 528, 12 A.3d 533 (mem.)
- Allen v. Department of Employment & Training, 159 Vt. 286, 289, 618 A.2d 1317, 1319 (1992)
- Isabelle v. Department of Employment & Training, 150 Vt. 458, 460, 554 A.2d 660, 661 (1988)
- Kasnowski v. Department of Employment Security, 137 Vt. 380, 381-82, 406 A.2d 388, 389-90 (1979)
- Fleece on Earth v. Department of Employment & Training, 2007 VT 29, ¶ 5, 181 Vt. 458, 923 A.2d 594