

BEFORE THE
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD

In the Matter of:

ROBERT L. EDWARDS
(Claimant)

PRECEDENT
BENEFIT DECISION
No. P-B-275
Case No. 75-9676

Office of Appeals No. S-26266

The claimant appealed from a decision of an Administrative Law Judge which held the claimant was disqualified from unemployment compensation benefits under section 1256 of the Unemployment Insurance Code on the ground that he voluntarily quit his most recent work without good cause.

STATEMENT OF FACTS

The claimant was last employed by an aircraft manufacturer as an administrative accountant at \$390 per week. On February 26, 1973 the claimant entered into a contract of employment for a two-year period for work to be performed in Saudi, Arabia.

This contract of employment expired March 16, 1975. Approximately two weeks prior to the expiration of the contract the employer offered the claimant a new contract of employment for a similar two-year period. The claimant did not sign the contract and continuing employment could not be extended the claimant in the absence of the contract.

The claimant has assigned various reasons for his refusal to enter into a new contract; basically, family reasons and conditions which prevail in Saudi Arabia.

REASONS FOR DECISION

Section 1256 of the Unemployment Insurance Code provides that the claimant shall be disqualified for benefits if he has left his most recent work voluntarily without good cause or has been discharged for misconduct connected with his most recent work.

A claimant's basic entitlement to benefits must be determined in light of the circumstances under which he leaves work. Accordingly, it is frequently necessary to resolve the question as to whether such leaving was a result of one or the other of the two alternatives set forth (Section 1256, Unemployment Insurance Code; Appeals Board Decisions Nos. P-B-27, P-B-37 and P-B-39). On the other hand, section 1256 is not invoked where a claimant leaves work because of the inability of an employer to extend further work to the claimant due to a reduction in production requirements or lack of business. A similar result is achieved where the particular work assignment is completed.

An employment relationship is for all intents and purposes a contractual one, whether express or implied. This concept was first enunciated by this Board in Appeals Board Decision No. P-B-78 and, whether oral or in writing, is enforceable under California law.

The most frequent occurrence is an implied contract of indefinite tenure, as evidenced by written application for employment which is accepted by the employer. Although such agreements of hire may be indeterminate in nature, nevertheless all conditions of employment, including the nature of the work, the hours of employment and the wages to be paid are specifically understood. If such an implied contract is enforceable, certainly the parties to the agreement are competent to set forth the precise terms and conditions of employment in writing, including the specific term during which the contract is to be in force. It is just such a writing that we are now called upon to consider.

The employment extended to and accepted by the claimant embraced work to be performed Overseas. It was definite in its terms and the employment relationship could continue only during the effective period of the contract. Upon breach of any of the terms and conditions of that agreement, either party would have had recourse to the courts for the breach. It is the status of the claimant upon the completion of the contract that we herein consider.

In Appeals Board Decision No. P-B-116, a claimant had entered into a contract for employment with the federal government for a period of 180 days. The claimant performed under the contract throughout its effective time. Prior to the expiration of such contract, the claimant was offered a subsequent contract to continue in employment for a period of 40 days. This contract was refused by the claimant because of dissatisfaction with the terms and conditions, and the employment relationship ended.

Earlier decisions of this Board were reviewed and it was held therein that in refusing to continue in employment and accept an offer of continued work the claimant had, in effect, voluntarily left such work without good cause. In so concluding, one of the earlier Benefit Decisions (Benefit Decision No. 6741) was specifically disaffirmed.

In Benefit Decision No. 6741 a school teacher with a federal agency had worked under a contract of employment in the Phillipines. The contract was for a 10-month period - from August 28 through June 3. In December the claimant was offered an opportunity to execute a subsequent contract for the following school year which would have similarly run from August through June. The contract was refused inasmuch as the claimant desired to return to the continental United States.

It was therein held that a contract of employment, whether personal between the employer and employee, or impersonal, as evidenced by collective bargaining agreements between unions and industry, must be observed; particularly, where the agreements are specific with respect to the duration of the period of employment. It was accordingly concluded that the claimant's employment terminated with the expiration of the agreement of employment and the claimant was at that time involuntarily unemployed. Douglas Aircraft Company v. California Unemployment Insurance Appeals Board (1960), 180 Cal. App. 2d 636, 4 Cal. Rptr. 723 was cited in support of such position.

Reviewing the two cases, we believe the rationale expressed in the earlier Benefit Decision to be the more appropriate. The termination of an employment relationship in keeping with a specific contract of employment, whether written or oral, is a termination mutually acceptable and binding upon the employer and the employee. While it may be that a new contract which is equally mutually acceptable to the parties could renew the employment relationship, neither party is legally obligated to offer or accept such contract. We find herein that this claimant satisfied a specific period of employment and became unemployed in keeping with the terms of the agreement.

Accordingly, such claimant may not be subject to disqualification under section 1256 of the code. In so holding, we specifically disaffirm Appeals Board Decision No. P-B-116.

DECISION

The decision of the Administrative Law Judge is reversed. The claimant is not disqualified from benefits under section 1256 of the code.

Sacramento, California, March 23, 1976.

CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD

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