

# DECISION DIGEST

*Actual cases and rulings from Princeton Claims Management*

APRIL 2024

## DENIAL OF A RAISE DOES NOT ESTABLISH GOOD CAUSE FOR VOLUNTARILY LEAVING

### Background

A hospital staff pharmacist accepted a position for an agreed upon salary, which was increased by five percent (5%) only six (6) months into his employment. At some point during his employment, he agreed to take a position on the night shift with significant responsibilities filling doctor's medication orders and collaborating with other clinicians. He was challenged by the responsibility and experience but felt he was underpaid in comparison to his peers. The pharmacist claimed that working alone at night made him more vulnerable to making mistakes, yet he did not receive any warnings and continuing work was available for him.

The pharmacist approached the employer's Human Resources department, who performed a market analysis which considered his salary, skills, experience, and education. The analysis revealed that his salary was fair, and a raise was not warranted. While he conceded that he had limited hospital experience, he felt undervalued and decided he could not continue to work at his current rate of compensation, and subsequently submitted a two week notice of resignation.

### Process

The employee filed a claim for UI (unemployment insurance) benefits after leaving his hospital pharmacy position due to the employer's refusal to grant him a raise and his concern that his pharmacy license was at risk due to medication errors. Although there was evidence of mistakes, he was never implicated in the errors and the hospital pharmacy was never cited by any regulatory agency for errors during his tenure. The deputy found his concerns credible and held him eligible for UI benefits citing that he had good cause for leaving the work. The employer disagreed with the good cause determination and filed an appeal to the Appeal Tribunal.

The appellant claimant and the employer witnesses with PCM appeared before the Appeal Tribunal to adjudicate the matter. The claimant argued that his request for a raise was reasonable and his fear of losing his license due to medication errors was legitimate. Interestingly, the claimant also said in his testimony that he may not have quit if he received a salary increase, which raised credibility questions about his argument that he was worried about jeopardizing his license.

### Judgment

In its decision, the Appeal Tribunal examiner opined that in the case at hand, "substantial evidence indicates that the claimant left the job when his request for a raise was denied." Since his rate of pay was within accepted market standards and he was never promised a raise, he has not established good cause for leaving the work to join the ranks of the unemployed. He is therefore disqualified for leaving without good cause attributable to the work in accordance with N.J.S.A. 43:21-5(a), as his employment was not in jeopardy and continuing work was available to him.

***This decision illustrates that when an employer can document through a salary market analysis that a raise is not warranted, it has demonstrated good faith for denying the raise. Therefore, if an employee leaves due to their dissatisfaction caused by the employer's decision to deny the raise, it does not establish good cause for leaving the work and is disqualifying under the NJ UI Law.***

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