

SUPREME COURT OF MISSISSIPPI

Public Employees' Retirement System v. Dearman

846 So. 2d 1014 (Miss. 2003) · No. No. 2001-CC-01882-SCT · Decided April 3, 2003

SUMMARY

The Mississippi Supreme Court affirmed the circuit court's reversal of the Public Employees' Retirement System's denial of Elsie Dearman's disability retirement benefits. The court held that the denial was unsupported by substantial evidence and was arbitrary and capricious because the medical and employer evidence supporting disability was uncontroverted. A separate dissent argued that the majority improperly shifted the burden of proof and reweighed the agency's credibility determinations.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Graves, J.; Pittman, C.J.; McRae, P.J.; Smith, P.J.; Waller, J.; Diaz, J.; Easley, J.; Carlson, J.; Cobb, J.
JURISDICTION	Mississippi
DECIDED	April 3, 2003
DOCKET	No. 2001-CC-01882-SCT
DISPOSITION	affirmed
PROCEDURAL POSTURE	PERS appealed the circuit court's reversal of the PERS Board of Trustees' denial of disability retirement benefits and the court's order granting benefits to Dearman.
STANDARD OF REVIEW	An administrative agency's decision must be upheld unless it is unsupported by substantial evidence, arbitrary or capricious, beyond the agency's authority, or violates constitutional or statutory rights. Substantial evidence is relevant evidence that reasonable minds might accept as adequate to support a conclusion.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Public Employees' Retirement System of Mississippi v. Elsie Dearman

TOPICS

- judicial review of agency action
- administrative law
- agency adjudication
- disability definition
- reasonable accommodation

PRACTICE AREAS

administrative law

public employee disability retirement

QUESTIONS PRESENTED

1. Whether the circuit court improperly reweighed the facts and substituted its judgment for that of PERS.
2. Whether the PERS Board of Trustees' denial of disability benefits was supported by substantial evidence.
3. Whether the Board's denial of benefits was arbitrary and capricious.

HOLDINGS

1. The Board's denial of disability benefits was not supported by substantial evidence because the record contained uncontroverted medical, employer, and testimonial evidence that Dearman could not perform her usual employment duties, while PERS offered no medical evidence disputing that evidence.
2. The Board's decision denying Dearman's disability benefits was arbitrary and capricious.
3. The circuit court did not err by reversing the Board's denial because the Board's decision lacked substantial evidentiary support and was arbitrary and capricious.

KEY QUOTATIONS

"This Court has defined "substantial evidence" as "such relevant evidence as reasonable minds might accept as adequate to support a conclusion."" (1017)

"The inability to perform the usual duties of employment or the incapacity to perform such lesser duties, if any, as the employer, in its discretion, may assign without material reduction in compensation or the incapacity to perform the duties of any employment covered by the Public Employees' Retirement system" (1019)

"An administrative agency's decision is arbitrary when it is not done according to reason and judgment, but depending on the will alone." (1019)

"If an administrative agency's decision is not based on substantial evidence, it necessarily follows that the decision is arbitrary and capricious." (1019)

FACTUAL BACKGROUND

Elsie Dearman, a longtime public school teacher, developed numerous debilitating medical conditions, including fibromyalgia, migraines, chronic fatigue, neurological symptoms, and other ailments. Her treating physician, employer, and school principal certified that she was unable to perform her teaching duties and that no reasonable accommodation would permit her to continue working. PERS did not obtain an independent medical examination and denied her disability-retirement application despite medical records and testimony supporting disability.

PROCEDURAL HISTORY

Dearman applied for disability benefits, but the PERS Medical Board and Disability Appeals Committee recommended denial, and the PERS Board of Trustees denied the claim. The Circuit Court of the First Judicial District of Hinds County reversed the Board's decision and granted benefits. The Mississippi Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Davis v. Pub. Employees' Ret. Sys., 750 So. 2d 1225, 1233 (Miss. 1999)
- Delta CMI v. Speck, 586 So. 2d 768, 769 (Miss. 1991)
- Public Employees' Ret. Sys. v. Marquez, 774 So. 2d 421, 423, 427, 429 (Miss. 2000)
- Fulce v. Pub. Employees' Ret. Sys., 759 So. 2d 401, 404 (Miss. 2000)
- Burks v. Amite County Sch. Dist., 708 So. 2d 1366, 1370 (Miss. 1998)
- Miss. State Dep't of Health v. Natchez Cmty. Hosp., 743 So. 2d 973, 976 (Miss. 1999)
- Public Employees' Ret. Sys. v. Dishmon, 797 So. 2d 888, 890-897 (Miss. 2001)
- Byrd v. Pub. Employees' Ret. Sys., 774 So. 2d 434, 438 (Miss. 2000)
- Walters v. Miss. Dep't of Econ. & Cmty. Dev., 768 So. 2d 893, 895 (Miss. 2000)
- Nelson v. Miss. State Bd. of Veterinary Med., 662 So. 2d 1058 (Miss. 1995)
- McFadden v. Miss. State Bd. of Med. Licensure, 735 So. 2d 145, 152 (Miss. 1999)
- Central Electric Power Ass'n v. Hicks, 236 Miss. 378, 389, 110 So. 2d 351, 357 (Miss. 1959)
- Consolidated Edison Co. of N.Y. v. NLRB, 305 U.S. 197, 217 (1938)