

SUPREME COURT OF PENNSYLVANIA

Raymond J. Whalen v. Public School Employees' Retirement Board

No. 33 MAP 2021 (Pa. 2021) · No. No. 33 MAP 2021 · Decided December 22, 2021

SUMMARY

Justice Dougherty concurred in the result, agreeing that the Public School Employees' Retirement Board could not be bound by a private settlement agreement and that the payment did not qualify as compensation under the Retirement Code. The concurrence disagreed with the Commonwealth Court and the Board's application of the parol evidence rule to exclude evidence concerning the Board's duties as a nonparty to the agreement. It nevertheless concluded that the claimant failed to establish that the payment was based on a standard salary schedule.

CASE DETAILS

COURT	Supreme Court of Pennsylvania
WRITING FOR THE COURT	Justice Kevin Dougherty
JURISDICTION	Pennsylvania
DECIDED	December 22, 2021
DOCKET	No. 33 MAP 2021
DISPOSITION	other
PROCEDURAL POSTURE	Appeal from the Commonwealth Court's order reversing the Public School Employees' Retirement Board's adjudication concerning whether a settlement payment constituted compensation under the Retirement Code.
STANDARD OF REVIEW	The concurrence discusses the appropriate standard of review for the Board's adjudication and interpretation of the Retirement Code, but the excerpt does not state a definitive standard.
PRECEDENTIAL VALUE	Published concurring opinion; persuasive only as to Justice Dougherty's separate reasoning, with the binding precedential value determined by the majority opinion.
PARTIES	Public School Employees' Retirement Board v. Raymond J. Whalen

TOPICS

agency adjudication

judicial review of agency action

parol evidence rule

evidence

contract interpretation

PRACTICE AREAS

administrative law

evidence

contracts

statutory interpretation

QUESTIONS PRESENTED

1. Whether the Board and Commonwealth Court applied the proper standard of review to the Board's adjudication and interpretation of the term "compensation" under the Retirement Code.
2. Whether the Board improperly excluded evidence concerning the nature and purpose of the settlement payment under the parol evidence rule.
3. Whether the \$15,000 settlement payment qualified as "compensation" under the Retirement Code.

HOLDINGS

1. A private contract between the employee and the school district could not bind the Retirement Board because the Board was not a party to the agreement.
2. The parol evidence rule should not have been applied to exclude evidence concerning the Board's own duties under the Retirement Code because the Board was a stranger to the settlement agreement.
3. Whalen failed to prove that the \$15,000 payment constituted compensation under the Retirement Code because he did not produce a standard salary schedule establishing that the payment was based on such a schedule.

KEY QUOTATIONS

“the parol evidence rule does not apply to exclude evidence regarding the duties or obligations of a stranger to the contract, such as the Board in relation to the settlement agreement here.” (at 2)

“the Board, as a stranger to the settlement agreement, should not have applied the parol evidence rule to preclude evidence pertaining to its own duties under the Retirement Code.” (at 3)

“This is crucial, because the Code explicitly excludes from the retirement calculation any remuneration not based on the employee’s standard salary schedule.” (at 5)

FACTUAL BACKGROUND

Whalen received a \$15,000 payment under a settlement agreement with his school district after asserting age-discrimination claims. He argued the payment represented back wages or a salary adjustment and should be treated as compensation for retirement-calculation purposes. He offered letters from the district's attorney and finance manager, an affidavit, and discrimination-charge materials, but the Board excluded the evidence under the parol evidence rule and determined that the payment did not qualify as compensation.

PROCEDURAL HISTORY

The Public School Employees' Retirement Board rejected Whalen's extrinsic evidence under the parol evidence rule and concluded that the \$15,000 settlement payment was not compensation under the Retirement Code. The Commonwealth Court reversed the Board. The Supreme Court of Pennsylvania granted review, and Justice

Dougherty concurred in the result while separately addressing the standard of review and the Board's exclusion of evidence.

DISPOSITION

other

CASES CITED

- Whalen v. Pub. Sch. Emps.' Ret. Bd., 241 A.3d 1242, 1249 n.8 (Pa. Cmwlth. 2020)
- Roberts v. Cauffiel, 128 A. 670, 671 (Pa. 1925)
- Commonwealth v. Contner, 21 Pa. 266, 272 (Pa. 1853)
- A. Simon & Sons v. Emery, 99 A. 78, 79 (Pa. 1916)

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