

SUPREME COURT OF SOUTH CAROLINA

James v. Anne's Inc., 386 S.C. 326

688 S.E.2d 562 (2010) · No. No. 26762 · Decided January 25, 2010

SUMMARY

The Supreme Court of South Carolina held that the Workers’ Compensation Commission lacked authority to prorate a lump-sum workers’ compensation award over a claimant’s life expectancy without the consent of both parties or an express legislative grant. The court affirmed the circuit court’s decision upholding the Commission’s denial of the requested proration language. Justice Beatty dissented, joined by Justice Waller, concluding that the Commission possessed such authority under its general statutory powers.

CASE DETAILS

COURT	Supreme Court of South Carolina
WRITING FOR THE COURT	Chief Justice Toal; Justice Kittredge; Acting Justice James E. Moore; Justice Beatty; Justice Waller
JURISDICTION	South Carolina
DECIDED	January 25, 2010
DOCKET	No. 26762
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a circuit court judgment affirming the South Carolina Workers' Compensation Commission's refusal to include life-expectancy proration language in a lump-sum workers' compensation award over the respondents' objection.
STANDARD OF REVIEW	The appellate court may reverse a Commission decision affected by an error of law; review is limited to whether the decision is unsupported by substantial evidence or controlled by an error of law.
PRECEDENTIAL VALUE	Published South Carolina Supreme Court opinion; majority opinion is precedential.
PARTIES	Allie James v. Anne's Inc., Villanova Insurance Company, in liquidation through the South Carolina Property & Casualty Insurance Guaranty Association

TOPICS

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QUESTIONS PRESENTED

1. Whether the South Carolina Workers' Compensation Commission had statutory authority to include life-expectancy proration language in a lump-sum award without the consent of both parties.
2. Whether South Carolina Code section 42-3-180's general grant of authority to determine questions arising under the Workers' Compensation Act authorized the Commission to order such proration.

HOLDINGS

1. The Commission lacked authority to prorate James's lump-sum workers' compensation award over her life expectancy without the consent of both parties because no specific legislative grant authorized that procedure.
2. The fact that life-expectancy proration could affect the calculation of James's Social Security benefits did not independently confer authority on the Commission to order proration.

KEY QUOTATIONS

“Without an express grant from the legislature, the Commission is without that power.” (386 S.C. at 329)

“Although we recognize that the Social Security Administration modifies its payments to account for lump sum awards that are prorated over a claimant's life expectancy, we remain convinced that the Commission must derive its authority to do so from the legislature.” (386 S.C. at 330)

“The authority of the Commission is statutorily derived, therefore, the Commission cannot exceed the scope of the legislature's grant of authority.” (386 S.C. at 330)

FACTUAL BACKGROUND

James fell down steps while working at Anne's Dress Shop and was found totally and permanently disabled. The Workers' Compensation Commission awarded her 500 weeks of compensation and determined that a lump-sum payment was in her best interests. James sought life-expectancy proration language in the award order because the allocation could reduce the effect of the federal Social Security disability offset, but her employer and carrier objected.

PROCEDURAL HISTORY

The Workers' Compensation Commission found James totally and permanently disabled and awarded her 500 weeks of compensation, with a lump-sum payment determined to be in her best interests. James requested that the award order prorate the lump sum over her life expectancy to affect the calculation of her Social Security offset. The Commission found it lacked authority to include the language without the respondents' consent, and the circuit court affirmed.

DISPOSITION

affirmed

CASES CITED

- Grant v. Grant Textiles, 372 S.C. 196, 641 S.E.2d 869 (2007)
- Callahan v. Beaufort County School District, 375 S.C. 92, 651 S.E.2d 311 (2007)
- Utica-Mohawk Mills v. Orr, 227 S.C. 226, 87 S.E.2d 589 (1955)
- Pressley v. REA Construction Co., 374 S.C. 283, 648 S.E.2d 301 (Ct. App. 2007)
- Cox v. BellSouth Telecommunications, 356 S.C. 468, 589 S.E.2d 766 (Ct. App. 2003)
- Geathers v. 3V, Inc., 371 S.C. 570, 641 S.E.2d 29 (2007)
- Peay v. U.S. Silica Co., 313 S.C. 91, 437 S.E.2d 64 (1993)
- Cross v. Concrete Materials, 236 S.C. 440, 114 S.E.2d 828 (1960)
- Olmstead v. Shakespeare, 348 S.C. 436, 559 S.E.2d 370 (Ct. App. 2002)
- Case v. Hermitage Cotton Mills, 236 S.C. 515, 115 S.E.2d 57 (1960)
- Harden v. United States Department of Health & Human Services, 979 F.2d 1082 (5th Cir. 1992)
- Hodge v. Shalala, 27 F.3d 430 (9th Cir. 1994)

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