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Gallagher Sharp Shop Talk: Workers' Compensation

Question: What happens when administrative rules formulated to implement a government program conflict with the “plain language” of the statute?

While we normally focus on workers' compensation issues, a recent decision by the Ohio Court of Appeals, Third Appellate District, discussing statutory interpretation recently caught our eye. The case involved a situation where administrative rules were in conflict with statutory language within the context of a federal program providing for enhanced unemployment benefits.

Lang v. Director, Ohio Dept. of Job and Family Servs., 2011-Ohio-4327, involved three 49 year old employees that were laid-off when their jobs were transferred overseas. The Federal Trade Act of 1974 established several programs designated to assist workers who lost their jobs due to trade agreements, and the employees selected a program that provided Alternative Trade Adjustment Assistance (ATAA) benefits. (The program is designed to assist older displaced workers by providing a wage subsidy to workers who quickly obtain reemployment at a lower wage.) By statute, the program was limited to employees over age 50. All three employees found new employment at lower wages within the 26 week period, but before turning 50. The claims were denied administratively based on the Ohio Department of Job and Family Services' (ODJFS) argument that the U.S. Department of Labor's administrative rules required the employee to be 50 years of age at the time of reemployment. The denial was affirmed administratively, and the employees appealed to the common pleas court pursuant to R.C. § 4141.282. The Court reversed the administrative decision and found the employees entitled to ATAA benefits, prompting the ODJFS to appeal.

The Third District affirmed, finding that the U.S. Department of Labor's interpretation of the federal statute (as evidenced by its rules) was contrary to the “plain language” of the statute. The statute at issue, 19 U.S.C. § 2318(a)(3)(B), did not contain a requirement that the employee be 50 years of age at the time of reemployment, but only that the individual be “at least 50 years of age” when he or she elects to receive ATAA benefits. The employees were entitled to ATAA benefits, since the employees met all the criteria required by the statute, notwithstanding the conflict with the Department of Labor's administrative rules.

Applying the principles in *Lang* to workers' compensation, it is clear that the “plain language” of a statute should control. Interpretations of a statute, even by those promulgated by government bodies, must not be contrary to the plain meaning of the statutory language of the statute. If you have any questions, or would like to discuss this or any other workers' compensation issues, you can contact me or Adam Sadowski from our Toledo office.

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