ILLINOIS OFFICIAL REPORTS

Appellate Court

Wood Dale Electric v. Illinois Workers' Compensation Comm'n, 2013 IL App (1st) 113394WC

Appellate Court Caption

WOOD DALE ELECTRIC, Appellant, v. THE ILLINOIS WORKERS' COMPENSATION COMMISSION *et al.* (Richard Bilson, Appellee).

District & No.

First District, Workers' Compensation Commission Division

Docket No. 1-11-3394WC

Filed

February 11, 2013

Held

(Note: This syllabus constitutes no part of the opinion of the court but has been prepared by the Reporter of Decisions for the convenience of the reader.)

An electrician who injured his shoulder in a fall at work was entitled to a wage differential, even though he elected to retire and accept pension retirement benefits from his employer, and his employer was not entitled to a credit against the claimant's workers' compensation benefits for his pension benefits, since claimant's earning capacity was diminished, his voluntary retirement did not preclude an award of a wage differential, and the pension benefits were payable regardless of the workers' compensation benefits.

Decision Under

Review

Appeal from the Circuit Court of Cook County, No. 11-L-50366; the

Hon. James C. Murray, Judge, presiding.

Judgment

Affirmed in part and vacated in part.

Counsel on Appeal Cassano & Associates, of Naperville (Lawrence C. Cassano, of counsel), for appellant.

Goldberg Weisman Cairo, of Chicago (James J. Nawrocki and Kirsten M. Dunne, of counsel), for appellee.

Panel

JUSTICE HOFFMAN delivered the judgment of the court, with opinion. Presiding Justice Holdridge and Justices Hudson, Harris and Stewart concurred in the judgment and the opinion.

OPINION

- Wood Dale Electric appeals from an order of the circuit court of Cook County which, among other things, reversed that portion of a decision of the Illinois Workers' Compensation Commission (Commission) that awarded it a credit pursuant to section 8(j)(2) of the Workers' Compensation Act (Act) (820 ILCS 305/8(j)(2) (West 2008)) against benefits due its injured employee, Richard Bilson (hereinafter referred to as the claimant), and affirming the Commission's award of a weekly wage differential to the claimant for injuries he suffered while working. For the reasons which follow, we vacate a portion of the circuit court's order and affirm the remainder.
- ¶ 2 The claimant filed an application for adjustment of claim pursuant to the Workers' Compensation Act (Act) (820 ILCS 305/1 et seq. (West 2008)), seeking benefits for a left shoulder injury he received while in the employ of Wood Dale. The following factual recitation is taken from the record on appeal, including the record of an arbitration hearing conducted on the claim on April 18, 2008.
- The claimant, a journeyman electrician, testified that he fell at work and injured his left shoulder. He stated that he was unable to work as an electrician after the accident, so he sought other work through a vocational specialist. Eventually, with the consent of Wood Dale's insurance carrier, he accepted a job as a school bus driver, and he held that job at the time of the hearing. The job paid him \$12.50 per hour for 20 hours per week—substantially less than the \$37.80 per hour he would have received as an electrician. The claimant testified that, upon his reaching the age of 62 on May 27, 2008, he would be entitled to pension retirement benefits that are payable regardless of any disability. He testified that he had planned to wait until he was 65 years old to retire, but as a result of his injury, he applied to receive those benefits starting in May 2008.
- ¶ 4 Wood Dale did not dispute that the claimant is entitled to benefits under the Act as a result of his accident. It did, however, assert a right to a credit for the claimant's pension benefits. On June 23, 2008, following the hearing, the arbitrator found that the claimant's injury was compensable under the Act, and he awarded the claimant a total of 56 6/7 weeks

of temporary total disability (TTD) benefits, a weekly wage differential of \$841.33 for the duration of the claimant's disability, and medical expenses. The arbitrator denied Wood Dale any credit for the claimant's pension benefits.

Wood Dale sought review of the arbitrator's decision before the Commission. On January 27, 2009, the Commission affirmed and adopted the arbitrator's decision, with two exceptions. First, the Commission modified the claimant's wage differential award to \$840.65, per week, the maximum weekly wage differential that could be awarded under the Act. Second, the Commission found that, pursuant to section 8(j)(2) of the Act, Wood Dale should be entitled to a credit for any pension benefits that accrued during the claimant's time working for Wood Dale. Accordingly, the Commission remanded the case to the arbitrator to determine the amount of Wood Dale's pension credit.

On April 6, 2010, the arbitrator issued a decision calculating Wood Dale's pension credit at \$432 per week. Both parties sought review before the Commission, which, on March 21, 2011, affirmed and adopted the arbitrator's decision.

¶ 7 The claimant filed a petition for judicial review of the Commission's decision in the circuit court of Cook County. On October 25, 2011, the circuit court issued an order finding that section 8(j)(2) of the Act does not allow a credit for pension benefits. The court thus set aside that part of the Commission's decision awarding Wood Dale a credit and confirmed the decision in all other respects. The court also added the following language to the end of its order:

"The parties *** disagree as to whether and to what extent [the claimant] is entitled to pension payments, given that he apparently has not yet retired. *** The record before this Court is insufficient to resolve the dispute. Therefore, this case is remanded to the Commission to determine, as a factual matter, the extent to which [the claimant] is entitled to receive pension benefits. Because [the claimant's] pensions are not disability pensions, [he] will be entitled to receive the same amount from his pensions as he would have had his injury never occurred."

Thereafter, Wood Dale filed this appeal.

 $\P 6$

¶ 9

Before addressing the issues raised by Wood Dale, we find need to address the question of our own jurisdiction. Although neither party raises a jurisdictional issue, we have a duty to consider our jurisdiction and to dismiss this appeal if our jurisdiction is lacking. *St. Elizabeth's Hospital v. Workers' Compensation Comm'n*, 371 Ill. App. 3d 882, 883 (2007). It is well settled that our jurisdiction is limited to the review of final judgments, unless an exception is provided by statute or supreme court rule. *Trunek v. Industrial Comm'n*, 345 Ill. App. 3d 126, 127. An order of the circuit court which reverses a decision of the Commission and remands the matter to the Commission is interlocutory and not appealable. *A.O. Smith Corp. v. Industrial Comm'n*, 109 Ill. 2d 52, 54 (1985); *Stockton v. Industrial Comm'n*, 69 Ill. 2d 120, 124 (1977). Under normal circumstances, then, the circuit court's order, which purports to remand this matter to the Commission for further findings, would be nonfinal, and we would lack jurisdiction over this appeal.

However, there lies an important distinction between the typical remand order and the circuit court's remand order in this case: here, the remand order was entered in excess of the

circuit court's jurisdiction. "Although the circuit courts are courts of general jurisdiction and enjoy a presumption of subject matter jurisdiction, that presumption does not apply in workers' compensation proceedings where the court exercises special statutory jurisdiction." Rojas v. Illinois Workers' Compensation Comm'n, 406 Ill. App. 3d 965, 971 (2010). See also Ill. Const. 1970, art. VI, § 9 ("Circuit Courts shall have original jurisdiction of all justiciable matters," but "Circuit Courts shall have such power to review administrative action as provided by law."). In workers' compensation cases, "[t]he circuit court's jurisdiction to review a decision of the Commission is a special statutory power." Forest Preserve District of Cook County v. Industrial Comm'n, 305 Ill. App. 3d 657, 660 (1999). Courts exercising this special statutory jurisdiction "may exercise their powers within the limits of the jurisdiction conferred by the statute" that empowers them, but "the jurisdiction depends upon the grant of the statute." Smith v. Smith, 334 Ill. 370, 379-80 (1929). When a court acting under special statutory jurisdiction enters a judgment that "transcends the statute conferring jurisdiction on the court," the court "exceed[s] its jurisdiction." Thayer v. Village of Downers Grove, 369 Ill. 334, 339 (1938), disapproved of on other grounds in James v. Frantz, 21 Ill. 2d 377, 383 (1961). We have that situation here.

Just as with our obligation to examine our own jurisdiction, we are also obligated to examine the jurisdiction of the circuit court. *Reichert v. Court of Claims*, 203 Ill. 2d 257, 261 (2003); *Baldwin v. Illinois Workers' Compensation Comm'n*, 409 Ill. App. 3d 472, 476 (2011). The Act confers upon the Commission the authority to settle disputed questions of law or fact pertaining to claims brought under the Act (see 820 ILCS 305/19 (West 2008)), and, in turn, it confers upon the circuit court special statutory jurisdiction to review Commission rulings (see 820 ILCS 305/19(f)(2) (West 2008)). Thus, the circuit court's subject matter jurisdiction extends only to review of the Commission's determinations of parties' rights under the Act. Here, the Commission determined that Wood Dale was obligated to pay benefits under the Act, but it determined that Wood Dale was entitled to a credit for nondisability pension benefits the claimant had earned. The circuit court had jurisdiction to review that conclusion, because it affects the parties' rights under the Act. The circuit court did not, however, enjoy jurisdiction over any issues relating to the claimant's right to the pension benefits themselves, as such matters are not governed by the Act.

For a court exercising statutory jurisdiction, "'[a]ny action the trial court takes that is outside the statute's stricture is void.'" *Cushing v. Greyhound Lines, Inc.*, 2012 IL App (1st) 100768, ¶ 103 (quoting *In re Haley D.*, 2011 IL 110886, ¶ 92). "A void order is a complete nullity from its inception and has no legal effect." *Cushing*, 2012 IL App (1st) 100768, ¶ 103. When a court acts beyond its limited jurisdiction, the portion of the judgment that exceeds the court's jurisdiction must be considered void and must be vacated. See *People v. Sweeney*, 2012 IL App (3d) 100781, ¶ 24 (part of sentence that exceeded statutory authority is considered void and must be vacated (citing *In re T.E.*, 85 Ill. 2d 326 (1981)). We therefore vacate that portion of the circuit court's judgment that purports to remand the matter to the Commission to adjudicate the claimant's pension benefits. With that portion of the circuit court's order excised, we have a proper final order to trigger our own jurisdiction over the case.

¶ 12 On the merits, Wood Dale argues that the circuit court erred in concluding that the Act

does not allow it to claim a credit against its workers' compensation liability for the claimant's pension benefits. "The right to credits, which operates as an exception to liability created under the Act, is narrowly construed." *Elgin Board of Education School District U-46 v. Illinois Workers' Compensation Comm'n*, 409 Ill. App. 3d 943, 953 (2011). Wood Dale, nonetheless, argues that section 8(j)(2) of the Act sets forth a clear exception to its liability.

- ¶ 13 The parties agree that Wood Dale presents us with an issue of statutory interpretation. The interpretation of a statute is an issue of law (*Branson v. Department of Revenue*, 168 Ill. 2d 247, 254 (1995)), and we review it *de novo* (*Elliot v. Industrial Comm'n*, 303 Ill. App. 3d 185, 187 (1999)).
- ¶ 14 The statute in question here, section 8(j) of the Act, contains three subparts. The first subpart pertains to credits for group benefit plans, and the parties agree that it does not apply to this case. The third subpart pertains to the time for filing applications for adjustments of claim, and, again, it has no direct application here. The second subpart provides as follows:

"Nothing contained in this Act shall be construed to give the employer or the insurance carrier the right to credit for any benefits or payments received by the employee other than compensation payments provided by this Act, and where the employee receives payments other than compensation payments, whether as full or partial salary, group insurance benefits, bonuses, annuities or any other payments, the employer or insurance carrier shall receive credit for each such payment only to the extent of the compensation that would have been payable during the period covered by such payment." 820 ILCS 305/8(j)(2) (West 2008).

- The parties offer contrasting interpretations of this statutory language. For his part, the claimant argues that the above language must be read to forbid credits for pension payments, because any other reading obviates the statute's emphatic first words that "[n]othing contained in this Act shall be construed to give" a credit. Wood Dale, on the other hand, argues that, by honoring the first part of the paragraph, the claimant's interpretation obviates the second, which refers clearly to credits an employer "shall receive" for payments. Wood Dale also offers legislative history—the law once unequivocally disallowed credits in both parts, before the second part was changed in 1965—to support its view that the new language was meant to allow credits for pension benefits. Compare Ill. Rev. Stat. 1963, ch. 48, ¶ 138.8(j), with 820 ILCS 305/8(j)(2) (West 2008).
- If we were interpreting this statutory language in the first instance, these arguments might present us with a difficult issue of statutory construction. However, we are not interpreting this language in the first instance. It has been construed at least twice before, in *Tee-Pak, Inc. v. Industrial Comm'n*, 141 Ill. App. 3d 520 (1986), and again in *Elgin*, 409 Ill. App. 3d 943. In *Tee-Pak*, the claimant argued that the Commission had erred in allowing the employer a credit for money paid to him under "a benefit program which ensure[d] a full salary to *** employees who are off work due to an accident or illness." *Tee-Pak*, 141 Ill. App. 3d at 522. In reversing the Commission's decision, this court cited section 8(j) generally for the proposition that "[u]nder the Act, the employer receives no credit for benefits which would have been paid irrespective of the occurrence of a workers' compensation accident." *Tee-*

Pak, 141 Ill. App. 3d at 529. Although the circuit court relied on Tee-Pak in reaching its conclusion that section 8(j)(2) does not permit Wood Dale a credit, Wood Dale refers to the decision only in passing in its brief, by citing it and then summarily stating that it dealt with subsection 8(j)(1), not 8(j)(2).

We disagree with Wood Dale's treatment of the *Tee-Pak* decision, for two reasons. First, as noted, the *Tee-Pak* decision does not cite subsection 8(j)(1) of the Act instead of subsection 8(j)(2); it cites the whole of section 8(j). Second, as also noted above, section 8(j) addresses credits in two subsections: subsections 8(j)(1) and 8(j)(2). Subsection 8(j)(1) pertains to credits for group benefit plans. See 820 ILCS 305/8(j)(1) (West 2008). In *Tee-Pak*, the court stated that the benefit payments it was considering were not made pursuant to a group insurance program (*Tee-Pak*, 141 Ill. App. 3d at 529). Thus, *Tee-Pak* must have been considering subsection 8(j)(2) of the Act.

If Tee-Pak did not speak loudly enough on the issue, we amplified it recently in Elgin. In Elgin, the employer argued that it was entitled to a credit under section 8(j)(2) for "wages paid to claimant in lieu of [temporary total disability payments] for the period of time [she] was off work due to her injury." Elgin, 409 Ill. App. 3d at 952. After quoting subsections 8(j)(1) and 8(j)(2) of the Act and reciting the guidelines for statutory interpretation, we explained section 8(j)(2) as follows:

"The first clause of section 8(j)(2) states that an employer is entitled to a credit only for compensation payments made pursuant to the Act. [Citations.] The second clause of section 8(j)(2) states that when an employer pays money other than compensation payments under the Act, the employer 'shall receive credit for each such payment only to the extent of the compensation that would have been payable during the period covered by such payment.' (Emphasis added.) [Citation.]

Although the second clause would appear to qualify the broad language in the first clause of section 8(j)(2), in [Tee-Pak], we seemingly rejected this interpretation of the statute. In [Tee-Pak], the Commission allowed the employer a section 8(j) credit ***. On appeal, we reversed, noting that under section 8(j) of the Act, 'the employer receives no credit for benefits which would have been paid irrespective of the occurrence of a workers' compensation accident.' [Citation.]" Elgin, 409 Ill. App. 3d at 953-54.

We then proceeded to distinguish *Tee-Pak* on the basis that, in *Elgin*, unlike in *Tee-Pak*, there was evidence that the employer intended its employees to be able to collect both salary and workers' compensation payments. *Elgin*, 409 Ill. App. 3d at 954. "Thus," we said, "the limitation of section 8(j) imposed in [*Tee-Pak*] does not apply here." *Elgin*, 409 Ill. App. 3d at 954. In their briefs, neither party offers us any reason to depart from its statement that, under *Tee-Pak*, section 8(j)2 allows credits only for payments that would not have been made but for the workers' compensation accident. For that reason, we adhere to the holdings in *Tee-Pak* and *Elgin*.

¶ 20 Here, the parties do not dispute that the pension payments, unlike those in *Tee-Pak* and *Elgin*, are the result of normal pension retirement benefits, wholly unrelated to the claimant's workers' compensation accident. Accordingly, under the rule in *Tee-Pak* and *Elgin*, those payments cannot entitle Wood Dale to a credit against its liability under the Act.

- ¶ 21 In the alternative to its credit argument, Wood Dale asserts that the claimant should not be entitled to a wage differential benefit under the Act because he has voluntarily removed himself from the work force by electing to retire. We disagree.
- To qualify for a wage differential award, a claimant must prove (1) a partial incapacity that prevents him from pursuing his usual and customary line of employment and (2) an impairment of earnings. 820 ILCS 305/8(d)(1) (West 2008); *First Assist, Inc. v. Industrial Comm'n*, 371 Ill. App. 3d 488, 494 (2007). Whether the claimant has satisfied each element is a question of fact to be resolved by the Commission, whose determination will not be disturbed on appeal unless it is against the manifest weight of the evidence. *Morton's of Chicago v. Industrial Comm'n*, 366 Ill. App. 3d 1056, 1061 (2006). For a finding of fact to be contrary to the manifest weight of the evidence, an opposite conclusion must be clearly apparent. *Durand v. Industrial Comm'n*, 224 Ill. 2d 53, 64 (2006).
- A claimant's voluntary decision to remove himself from the work force does not preclude a wage differential award. *Copperweld Tubing Products Co. v. Illinois Workers' Compensation Comm'n*, 402 Ill. App. 3d 630, 634 (2010). Instead, a wage differential award is determined by comparing the claimant's prior earning capacity to the amount he "is earning or is able to earn in some suitable employment or business after the accident." 820 ILCS 305/8(d)(1) (West 2008); see *Copperweld Tubing Products*, 402 Ill. App. 3d at 634.
- ¶ 24 Wood Dale has never disputed the diminution in the claimant's earning capacity following his accident, and the evidence adduced before the Commission illustrated his efforts to find suitable postaccident employment. Based on that undisputed evidence, we conclude that the Commission's finding, that the claimant is entitled to a wage differential award, is not against the manifest weight of the evidence.
- ¶ 25 Based on the foregoing analysis, we vacate that part of the circuit court's order remanding the matter to the Commission for calculation of the claimant's pension benefits and affirm its order in all other respects.
- ¶ 26 Affirmed in part and vacated in part.