

COMMITTEE NEWS

Workers' Compensation and Employer Liability Committee



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PA Supreme Court Clarifies No Suspension Of Benefits For Time Served Before A Conviction

A basis for stoppage of workers' compensation benefits in Pennsylvania is incarceration post-conviction. The general rule under Section 306(a.1) of the Pennsylvania Workers' Compensation Act is that an employer is not required to pay wage loss benefits for any period during which an employee is "incarcerated after a conviction."

Recently, in *Sadler v. WCAB (Philadelphia Coca-Cola Company)*; No. 6 EAP 2020, the Supreme Court of Pennsylvania dealt with an employer's appeal regarding payment of compensation benefits during a period of pre-trial detention. Claimant suffered a work injury on July 2, 2012. The employer issued a Notice of Compensation Payable. Claimant was charged with a crime in New Jersey on August 13, 2013. Claimant could not post bail and remained in prison for 525 days until January 22, 2015 when he plead guilty. During the sentencing, claimant was awarded credit for time served and released from custody. Employer filed a Suspension Petition arguing that claimant was not entitled to benefits during his period of incarceration. The Workers' Compensation Judge granted the Suspension Petition. The claimant appealed and the Workers' Compensation Appeal Board affirmed. The claimant appealed to the Commonwealth Court who reversed the WCAB holding that because the claimant spent no time in incarceration after his conviction, benefits were not permitted to be suspended. The employer appealed to the Supreme Court of Pennsylvania.

The Supreme Court rejected the employer's appellate argument and held that the employer must pay benefits for periods when an employee is incarcerated before a conviction, even if the period of pre-conviction incarceration is applied to the length of post-conviction incarceration. The Supreme Court explained that the clear language of Section 306(a.1) of the Act only authorizes the suspension of workers' compensation benefit payments during periods of incarceration served after a conviction. Further, the Supreme Court emphasized that there is no statutory language to permit a suspension of benefits during any period of incarceration served prior to a conviction. In essence, the Supreme Court has ruled that an injured worker does not lose entitlement to workers' compensation benefits during the time he was incarcerated prior to entry of a guilty plea in a criminal case. ➤



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Zach Rubinich is a partner in the Philadelphia office of Rawle & Henderson LLP. In his law practice, Zach defends and counsels a variety of businesses, insurers and third-party administrators against workers' compensation claims in Pennsylvania. In addition, Zach assists his clients to identify ways to control rising workers' compensation costs without litigation and seeks to recover funds already paid on their claims through subrogation and the Pennsylvania Supersedeas Fund. Based on his extensive experience, the Pennsylvania Bar Association Workers' Compensation Law Section has certified him as Specialist in the practice of workers' compensation law.

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