

School Employee Who Resigned After Her Hospitalization Coverage Was Reduced Entitled To Unemployment Compensation

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Forbes Road School District V Unemployment Compensation Board of Review, Commonwealth Court of Pennsylvania, Case No. 1814 C.D. 2016

Claimant was hired as a paraprofessional at \$10.15 an hour. She completed health insurance paperwork requesting coverage for herself and her spouse, coverage which the School District inadvertently granted, even though paraprofessionals were entitled only to individual coverage under their collective bargaining agreement. The School District discovered its error and informed the employee that she would receive employee and spouse coverage for the balance of the school year, but would receive only individual coverage in the future. At the end of the school year, the employee was informed that she would have to pay an additional \$947.16 a month to maintain coverage for her spouse.

Claimant resigned and filed for unemployment compensation. The Office of Unemployment Compensation Benefits and an Unemployment Compensation referee both ruled Claimant ineligible for benefits because she voluntarily resigned. On appeal, however, the Unemployment Compensation Board of Review in Harrisburg reversed, finding that the Claimant was eligible for benefits, because she had “necessitous and compelling reason” for resigning her employment.

The Commonwealth Court of Pennsylvania affirmed the Board’s ruling explaining that when Claimant was initially hired, she understood she would receive coverage for her spouse and, in fact, such coverage was extended for an entire school year. The Court reasoned that payment of \$947.16 per month by an employee earning only \$10.15 per hour represented “a substantial change in the terms of her employment.”

The Commonwealth Court rejected the School District’s argument that the Claimant “failed to take reasonable steps to preserve her own employment”. According to the Court, the employee met her responsibility by offering to remain in her position if the School District would continue to provide hospitalization for her spouse on the same terms as the previous year.

For additional information contact Robert McTiernan.