

# alert

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*Mahoney v. Industrial Commission,  
No. 100239, decided January 20, 2006*

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### EMPLOYEE VOLUNTARILY TRANSFERRED TO FLORIDA IN 1993 COULD RECOVER ILLINOIS BENEFITS FOR INJURIES SUSTAINED IN FLORIDA IN 1999 AND 2001

The Illinois Supreme Court, in a unanimous decision emphasized the importance of an Illinois hiring contract, even when the employee had voluntarily transferred to Florida six years before his injury occurred. The court relied on the language in Section 1(b)(3) of the Act, which provides:

*An employee or his dependents under this Act who shall have a cause of action by reason of any injury, disablement or death arising out of and in the course of his employment may elect to pursue his remedy in the State where injured or disabled, or in the State where the contract of hire is made, or in the State where the employment is principally localized.*

The court, in noting that the findings of fact were undisputed, stated as follows:

*Robert Mahoney was hired by United Airlines on January 6, 1969, to work as a ramp serviceman at O'Hare International Airport in Chicago, Illinois. He worked for United continuously in Illinois until 1993, when, following his divorce, he voluntarily applied for transfer to United's facility at Orlando International Airport in Orlando, Florida. Mahoney had the necessary seniority to choose among many locations throughout the United States.*

*There was no interruption between Mahoney's last day of work in Chicago and the beginning of his work the next day in Orlando. He has worked continuously in ramp service for United at Orlando until the present time.*

*Mahoney continues to reside in Orlando, where he purchased a home in 1984. He remarried in Florida. He has a Florida driver's license, pays taxes in Florida, and pays no taxes in Illinois. Although he has the right, he has never sought to relocate back to Illinois or to any other state.*

*Since his transfer, Mahoney has returned to Illinois approximately three times for training sessions and has also returned for family*

*visits. When he returned to Illinois, he stayed in local hotels. He has not been injured in Illinois.*

*Mahoney sustained compensable injuries in Orlando, Florida, on March 19, 1999, and January 2, 2001. He received temporary total disability benefits consistent with the Florida Workers' Compensation Act, and medical treatment for his injuries was provided near his home in Orlando.*

The arbitrator found that Mahoney had no employment relationship with United in Illinois because *neither the accident nor his resulting treatment occurred here and he voluntarily transferred to Florida from Illinois for personal reasons six years before the first accident.* The Commission and the circuit court confirmed the decision, but the appellate court reversed on the basis that the plain language of the Act *clearly states that site of the contract for hire is the exclusive test for determining the applicability of the Act to persons whose employment is outside Illinois where the contract of hire is made within Illinois.* The supreme court affirmed and, in effect, reversed several Illinois Appellate Court decisions which had denied jurisdiction because of the *totality of arrangements for employment.* This argument was used in the *Youngstown* case, which held that the claimant's transfer resulted in a new contract:

*... that a new contract of employment was formed in Indiana, following the*

*termination of the employment relationship in Illinois, noting the claimant was interviewed for employment in Indiana, underwent a pre-employment physical examination in Indiana, received a new employee identification number, joined a different local of the union, and was not placed in a position comparable to his Illinois employment.*

*Youngstown* was distinguished because the facts led to a conclusion that the employee had clearly entered into a new contract of employment in Indiana. The court pointed out that United was actually relying on the “totality of arrangements for employment” reasoning used by the appellate court in the *Carroll* and *Rankins* cases when it should have followed the 1983 decision involving *Rogers Walker v. United Airlines*. The current court responded:

*United also argues that to allow nonresidents of Illinois who fail to maintain significant contact with this state to claim workers’ compensation benefits here could unfairly burden Illinois. United suggests a parade of negative consequences likely to result, including increased taxpayer cost due to a congested Industrial Commission docket, loss of potential employers who will fear high insurance premiums, and distorted statistics on work-*

*related injuries, thus affecting promulgation of Illinois safety regulations and laws. Allowing Mahoney to file a claim in Illinois despite the availability of a forum in Florida encourages forum shopping for the jurisdiction with the most liberal benefits. The legislature, United asserts, could not have intended this result. Accordingly, United urges this court to adopt Professor Larson’s employment relation analysis, as advocated by the dissenters in *Walker*, and confirm the application of the *Carroll-Rankins* standard by the Commission. (The *Carroll* and *Rankins* cases had relied on the totality of the circumstances.)*

*We decline United’s invitation. The plain, unambiguous language of section 1(b)(2), as consistently interpreted by this court in an unbroken line of cases dating to 1930, confers jurisdiction to the Commission over injuries occurring outside Illinois when the contract of hire is made within Illinois. As long as the initial contract remains in force, the Commission retains jurisdiction. The section does not speak to lapse of time, failure to maintain significant contacts, or voluntariness of transfers,*

*and imposes no requirement other than the existence of an employment contract in this state. Although Professor Larson's analysis is certainly reasonable, adoption of the standard he advocates is properly addressed by the legislature, not this court.*

*Accordingly, we hold that the place of the contract of hire is the sole determining factor for the existence of jurisdiction over employment injuries occurring outside this state. Mahoney's original contract of hire was still in effect when he was injured in Florida and, thus, he is entitled to his claims in Illinois.*

**EDITOR'S NOTE:** The employer who wishes to avoid Illinois jurisdiction for injuries outside of the state can only do so by establishing that the Illinois employment contract has been replaced by a new employment contract at the time of the change of job location. In the absence of such a new contract at the time of transfer, the employee would be entitled to Illinois benefits, without regard to the number of years since he had left the state.

**Frank J. Wiedner**  
**Editor**