

because she does not check her mail regularly. Appellant only checks her mail once every two weeks.

Upon review of the Tribunal record, the Panel determined that the Department properly mailed the Tribunal decision to Appellant on May 7, 2015 and that the deadline to file an appeal was May 18, 2015. The Panel found that Appellant filed her appeal eleven (11) days after the appeal period expired and concluded that the greater weight of the evidence indicated that if Appellant had checked her mail on a regular basis, she would have received the decision earlier and could have filed a timely appeal.

Appellant now appeals to the ALC.

STANDARD OF REVIEW

The Department is an “agency” under the Administrative Procedures Act (APA). See Gibson v. Florence Country Club, 282 S.C. 384, 386, 318 S.E.2d 365, 367 (1984) (finding that the Employment Security Commission, the predecessor of the Department, was an agency within the meaning of the APA). Accordingly, the APA’s standard of review governs appeals from decisions of the Department. See S.C. Code Ann. §§ 1-23-380, 1-23-600(D) (Supp. 2014); Gibson, 282 S.C. at 386, 318 S.E.2d at 367; McEachern v. S.C. Employment Sec. Comm’n, 370 S.C. 553, 557, 635 S.E.2d 644, 646-47 (Ct. App. 2006). Section 1-23-380(5) of the South Carolina Code (Supp. 2014) provides the standard used by appellate bodies to review agency decisions. See § 1-23-600(D) (directing administrative law judges to conduct appellate review in the same manner prescribed in § 1-23-380). That section states:

The court may not substitute its judgment for the judgment of the agency as to the weight of the evidence on questions of fact. The court may affirm the decision of the agency or remand the case for further proceedings. The court may reverse or modify the decision if substantial rights of the appellant have been prejudiced because the administrative findings, inferences, conclusions, or decisions are:

- (a) in violation of constitutional or statutory provisions;
- (b) in excess of the statutory authority of the agency;
- (c) made upon unlawful procedure; (d) affected by other error of law;
- (e) clearly erroneous in view of the reliable, probative and substantial evidence on the whole record; or
- (f) arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.

§ 1-23-380(5) (Supp. 2014).

A decision is supported by substantial evidence when the record as a whole allows reasonable minds to reach the same conclusion as the agency. Friends of the Earth v. Pub. Serv.

Comm'n of S.C., 387 S.C. 360, 366, 692 S.E.2d 910, 913 (2010). The fact that the record, when considered as a whole, presents the possibility of drawing two inconsistent conclusions from the evidence does not prevent the agency's findings from being supported by substantial evidence. Waters v. S.C. Land Res. Conservation Comm'n, 321 S.C. 219, 226, 467 S.E.2d 913, 917 (1996). In applying the substantial evidence rule, "a reviewing court will not overturn a finding of fact by an administrative agency 'unless there is no reasonable probability that the facts could be as related by a witness upon whose testimony the finding was based.'" Sea Pines Ass'n for Prot. of Wildlife, Inc. v. S.C. Dep't of Natural Res., 345 S.C. 594, 603-04, 550 S.E.2d 287, 292 (2001) (quoting Lark v. Bi-Lo, Inc., 276 S.C. 130, 136, 276 S.E.2d 304, 307 (1981)).

When applying the substantial evidence rule, the factual findings of the administrative agency are presumed to be correct. Rodney v. Michelin Tire Co., 320 S.C. 515, 466 S.E.2d 357 (1996). Thus, the party challenging an agency action has the **burden** of proving convincingly that the agency's decision is unsupported by substantial evidence. Waters, 321 S.C. 219, 467 S.E.2d 913 (citing Hamm v. AT&T, 302 S.C. 210, 394 S.E.2d 842 (1994)). Furthermore, the reviewing court is prohibited from substituting its judgment for that of the agency as to the weight of the evidence on questions of fact. Grant v. S.C. Coastal Council, 319 S.C. 348, 461 S.E.2d 388 (1995). Finally, the party challenging an agency action has the burden of proving convincingly that the agency's decision is unsupported by substantial evidence. Waters, 467 S.E.2d at 917.

ISSUE ON APPEAL

- 1. Did the Appellate Panel err in finding that Appellant neglected to file her appeal in a timely manner?**
- 2. Did the Appellant Panel err in finding that the Appellant received the decision in a timely manner?**
- 3. Did the Appellate Panel and Appeal Tribunal err in the decision on severance payments and bonus no being wages for which Appellant paid all Federal, State and FICA taxes?**

DISCUSSION

Appellant argued in her brief on appeal that the Department did not present any certified proof that the Tribunal decision was mailed in a timely manner. The Department argued in its brief that Appellant's appeal was untimely and that the Tribunal decision became the final decision in this appeal pursuant to Section 41-35-680.

Section 41-35-660 provides that, " The claimant or any other interested party may file an appeal from an initial determination, redetermination, or subsequent determination not later than ten days after the determination was mailed to his last known address." S.C. Code Ann. § 41-35-660 (Supp. 2014). Here, the record is clear that the Tribunal decision was mailed on May 7, 2014 and that the last day to file an appeal was May 18, 2015. However, Appellant filed her appeal on May 29, 2014, which was eleven (11) days beyond the time allowed under Section 41-35-660. As a result, Appellant's appeal to the Panel was untimely. The Court finds that the Panel decision that Appellant appealed from is supported by the substantial evidence in the record.

With regard to the remaining issues that were raised by Appellant, this Court will only review issues that were raised and ruled upon below.

The South Carolina Supreme Court has stated the following regarding the preservation of an issue for appellate review:

It is axiomatic that an issue cannot be raise for the first time on appeal, but that must have been **raised to and ruled upon** by the trial judge to be preserved for appellate review. (Emphasis supplied) (Internal citation omitted).

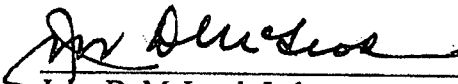
Wilder Corporation v. Wilke, 330 S.C. 71, 76, 497 S.E.2d 731, 733 (1998).

The remaining issues and facts that were argued in Appellant's brief were neither raised before the Tribunal nor ruled upon by the Panel and are therefore not subject to review by this Court.

IT IS HEREBY ORDERED that the Appellate Panel decision is **AFFIRMED**.

AND IT IS SO ORDERED.

January 4, 2015
Columbia, S.C.



John D. McLeod, Judge
South Carolina Administrative Law Court

"A"

SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT AND WORKFORCE
INITIAL DETERMINATION OF STATUS AS AN INSURED WORKER

SC WORKS CENTER 430

EFFECTIVE DATE 03/30/15

DATE FILED 03/31/15

DATE PREPARED 03/31/15

0 527-76-0453

BILLIE D MUELLER
1341 ROCKFISH DR

MANNING SC 29102

*BENEFITS YOU MAY BE ELIGIBLE FOR: MILITARY ASSIGNMENTS
WEEKLY BENEFIT AMOUNT 326.00
MAXIMUM TOTAL BENEFITS 6520.00

BENEFIT YEAR ENDS 03/29/16
*This statement establishes that you have the necessary wages to qualify for unemployment insurance. However, to receive benefits your job separation must also be considered. If you qualify, this is the maximum you may be entitled to receive.

SEE BACK FOR CLAIMANT INFORMATION

| EMPLOYMENT RECORD | | STANDARD BASE PERIOD QUARTERLY EARNINGS | | | | | | | |
|-------------------|-------------|---|-------|----------|-------|----------|-------|------|-------|
| EMPLOYER | ACCOUNT NO. | YEAR | *QTR. | YEAR | *QTR. | YEAR | *QTR. | YEAR | *QTR. |
| EBTRON, INC. | 289798 | 2013 | 04 | 2014 | 01 | 2014 | 02 | 2014 | 03 |
| | | 15454.23 | | 13317.36 | | 35010.49 | | | .00 |

NOTE: The weekly benefit amount on this form reflects your **GROSS PAYMENT EACH WEEK BEFORE ANY DEDUCTIONS** are made. Possible deductions to this amount include, but are not limited to, tax withholding, pension, child support, offset of overpayment, and part-time earnings. **ALSO, YOUR FINAL PAYMENT MAY BE LESS THAN THE FULL WEEKLY BENEFIT AMOUNT BASED ON THE BALANCE REMAINING IN YOUR ACCOUNT.**

"B"

| | | | | | | | | | | | | | | | |
|---|--|---|--|---|--|---|--|--|--|----------------------------|--|---------------------|--|------------------|--|
| Void <input type="checkbox"/> | | a Employee's social security number 527-76-0453 | | OMB No. 1545-0008 X4A | | 006115 | | 000150 | | | | | | | |
| b Employer identification number (EIN) 22-2455232 | | | | 1 Wages, tips, other compensation 48327.85 | | 2 Federal income tax withheld 6271.81 | | | | | | | | | |
| c Employer's name, address, and ZIP code EBTRON INC 1663 HIGHWAY 701 S LORIS SC 29569 | | | | 3 Social security wages 48327.85 | | 4 Social security tax withheld 2996.33 | | | | | | | | | |
| | | | | 5 Medicare wages and tips 48327.85 | | 6 Medicare tax withheld 700.75 | | | | | | | | | |
| | | | | 7 Social security tips | | 8 Allocated tips | | | | | | | | | |
| d Control number 000150 CHAR/X4A | | | | 9 | | 10 Dependent care benefits | | | | | | | | | |
| e Employee's first name and initial BILLIE | | Last name MUELLER | | Suff. | | 11 Nonqualified plans | | 12a See instructions for box 12 W 446.15 | | | | | | | |
| | | | | | | 13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/> | | 12b | | | | | | | |
| | | | | | | 14 Other | | 12c | | | | | | | |
| | | | | | | | | 12d | | | | | | | |
| f Employee's address and ZIP code | | | | 15 State Employer's state ID number SC 25319905 1 | | 16 State wages, tips, etc. 48327.85 | | 17 State income tax 3180.96 | | 18 Local wages, tips, etc. | | 19 Local income tax | | 20 Locality name | |

Form **W-2** Wage and Tax Statement
Copy D - For Employer

2014

Department of the Treasury - Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The 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. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

UNITED STATES *v.* QUALITY STORES, INC., ET AL.CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE SIXTH CIRCUIT

No. 12–1408. Argued January 14, 2014—Decided March 25, 2014

Respondent Quality Stores, Inc., and its affiliates (collectively Quality Stores) made severance payments to employees who were involuntarily terminated as part of Quality Stores' Chapter 11 bankruptcy. Payments—which were made pursuant to plans that did not tie payments to the receipt of state unemployment insurance—varied based on job seniority and time served. Quality Stores paid and withheld, *inter alia*, taxes required under the Federal Insurance Contributions Act (FICA), 26 U. S. C. §3101 *et seq.* Later believing that the payments should not have been taxed as wages under FICA, Quality Stores sought a refund on behalf of itself and about 1,850 former employees. When the Internal Revenue Service (IRS) did not allow or deny the refund, Quality Stores initiated proceedings in the Bankruptcy Court, which granted summary judgment in its favor. The District Court and Sixth Circuit affirmed, concluding that severance payments are not wages under FICA.

Held: The severance payments at issue are taxable wages for FICA purposes. Pp. 4–15.

(a) FICA defines “wages” broadly as “all remuneration for employment.” §3121(a). As a matter of plain meaning, severance payments fit this definition: They are a form of remuneration made only to employees in consideration for employment. “Employment” is “any service . . . performed . . . by an employee” for an employer. §3121(b). By varying according to a terminated employee’s function and seniority, the severance payments at issue confirm the principle that “service” “mea[ns] not only work actually done but the entire employer-employee relationship for which compensation is paid.” *Social Security Bd. v. Nierotko*, 327 U. S. 358, 365–366. This broad definition is reinforced by the specificity of FICA’s lengthy list of exemptions. The