

Publications

# Court Holds ERISA Imposes Statutory Obligation on Employers to Remedy Multiemployer Pension Plan Funding Deficiency

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The contributions that employers make to multiemployer pension plans, which are set in collective bargaining, are intended to satisfy the statutory minimum funding obligations under ERISA and the Internal Revenue Code. In a case where the collectively bargained amounts fell short of the statutory minimum, the U.S. Court of Appeals for the First Circuit found that ERISA § 302 imposes an independent obligation on contributing employers to remedy a plan funding deficiency, even if doing so would require contributions beyond those the employers committed to in their collective bargaining agreements. *Gastronomical Workers Union Local 610 & Metropolitan Hotel Association Pension Fund v. Dorado Beach Hotel Corp.*, Nos. 08-2561, 08-2563, 2010 U.S. App. LEXIS 16686 (1st Cir. Aug. 11, 2010). At the same time, the court raised the question of whether ERISA provides a remedy for a plan's trustees to enforce the funding requirements of § 302, an issue that the district court will likely consider on its remand. Please see the attached memo for further information.