

Publications

Supreme Court Holds that Plan Fiduciaries Cannot Seek Recoupment Under ERISA Section 502(a)(3) From Participant's General Assets

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In late January, the Supreme Court denied a plan fiduciary's subrogation claim that attempted to recoup from the participant's general assets medical costs paid by the plan. In doing so, the Court focused heavily on the types of remedies available in traditional courts of equity and declined to broadly interpret the right to seek other equitable relief under section 502(a)(3) of the Employee Retirement Income Security Act of 1974 (ERISA). While the decision may have the effect of somewhat limiting plan recovery efforts, the decision is consistent with the Courts prior decisions, and on a good news front for plan sponsors may lessen concerns regarding a potential expansion of ERISA section 502(a)(3) remedies that some have read into *Cigna v. AMARA*.

The Supreme Court's decision in *Montanile v. Board of Trustees of the National Elevator Industry Health Benefit Plan* affects both retirement plans and health plans. The main impact, as explained below, relates to the timing of the enforcement of the plan's equitable lien and the funds from which the plan seeks recoupment. Please see the attached memo for further information.

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