

Publications

Supreme Court Vacates Order to Reform Pension Plan, But May Have Opened the Door to Expanded Equitable Remedies

ATTORNEYS & PROFESSIONALS

Michael Prame

mprame@groom.com

202-861-6633

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In a long-anticipated decision, the Supreme Court this week in *Cigna Corp v. Amara*, 536 U.S. ___, 2011 WL 1832824 (May 16, 2011), vacated a District Court order, which had been affirmed on appeal, requiring CIGNA to reform its cash balance plan and pay increased benefits based on a claim under section 502(a)(1)(B) of the Employee Retirement Income Security Act of 1974 (“ERISA”).

In its opinion, the Court held that the remedy under ERISA section 502(a)(1)(B) to enforce “the terms of the plan,” does not afford or authorize a remedy for alleged misrepresentation of the terms of a plan in that plan’s summary plan description (“SPD”). Provisions of SPDs, the Court determined, are not themselves “terms of the plan” enforceable under section 502(a)(1)(B). However, the Court then opined that relief for the notice violations instead fell within ERISA section 502(a)(3), which authorizes “other appropriate equitable relief,” and then went on to enunciate a surprisingly broad interpretation of that phrase, thereby opening the door to claims for relief that many practitioners had assumed had been foreclosed by prior Supreme Court decisions on the scope of relief under section 502(a)(3). Please see the attached memo for further information.

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