

INCORRECT BENEFIT ESTIMATE NOT A BREACH OF FIDUCIARY DUTY

Hodgson Russ Employee Benefits Newsletter
August 1, 2019

A Bank of America employee sued a Bank of America Pension Plan for breach of fiduciary duty because a benefit estimate was incorrect. The estimate included years of service for which the employee had previously received a distribution of that related benefit. In other words, the estimate overstated the amount of benefits available to the employee. The employee claimed that this error was a breach of fiduciary duty.

The District Court for the Northern District of California disagreed, finding that preparation of an estimate of future benefits was not a fiduciary task. The court pointed to cases in the 9th Circuit and in the 1st Circuit which reached similar conclusions. The employee also argued that the Fiduciary Committee for the Plan failed to monitor the administrators of the Plan and therefore that failure rose to the level of a breach of fiduciary duty. The court also rejected this argument, finding that a single failure to produce an accurate benefit statement did not rise to the level of a breach of fiduciary duty for failure to monitor.

While the employee failed to win in this matter, plan administrators should make sure that all benefit estimates are prepared accurately, in order to avoid litigation relating to these types of claims. *Wilson v. Bank of Am. Pension Plan for Legacy Cos.* (N.D. Cal., 2019)

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