

RELEASE OF CLAIMS FAILS TO BLOCK ERISA LAWSUIT

Hodgson Russ Employee Benefits Newsletter
April 27, 2021

A recent case of interest involved a plaintiff who worked at an IKEA store for twenty five years. During his employment, he enrolled in and received basic and supplemental term life insurance coverage, and his spouse maintained coverage as a dependent. IKEA also maintained a retiree benefit plan. Continuation of the term life insurance, for supplemental benefits and for dependent coverage, were included in the retiree life insurance benefit program. Based on information he received regarding the retiree life insurance benefit program, plaintiff believed he and his spouse would be eligible, without further medical examination, to “continue” the basic and/or supplemental life coverage for himself and his spouse that was in effect while actively employed by IKEA.

Plaintiff retired in 2018. When plaintiff retired, he received 52 weeks of pay in exchange for which he signed a voluntary release which included, *as of the date of execution*, a release of “any and all claims, known and unknown, asserted or unasserted,” plaintiff had under ERISA (except for any vested benefits under any tax qualified benefit plan). He elected to participate in the retiree life insurance benefit program, but did not immediately receive his options for retiree life insurance benefits. Following repeated inquiries, IKEA informed plaintiff he could not receive life insurance benefits under the active employee plan, but could convert this benefit to a whole life individual policy with MetLife. MetLife, however, would not provide plaintiff a policy without a medical examination, which was contrary to plaintiff’s understanding based on information IKEA had provided regarding the retiree life insurance benefit program. As it turned out, plaintiff and his spouse were uninsurable, which meant he was unable to secure the life insurance the coverage he believed he would receive as a retiree under the IKEA plan.

After exhausting all administrative options and remedies, plaintiff filed a lawsuit in response to which IKEA filed a motion to dismiss. IKEA argued plaintiff could not assert his ERISA claim because the release he signed prohibited him from doing so. Plaintiff responded that the claim did not exist as of the date he signed the release and therefore is not covered by the release. The trial court in Georgia found the plaintiff’s arguments more persuasive and denied IKEA’s motion to dismiss because the ERISA claim did not arise until after the release was signed. The court ruled that plaintiff’s ERISA claim did not fall within the scope of the release agreement because, under the facts alleged in plaintiff’s complaint, IKEA denied plaintiff the

Attorneys

Peter Bradley
Michael Flanagan
Richard Kaiser
Ryan Murphy
Amy Walters

Practices & Industries

Employee Benefits

RELEASE OF CLAIMS FAILS TO BLOCK ERISA LAWSUIT

benefit of continuing his life insurance after the release agreement was executed, the life insurance benefit was promised under a retiree plan that the plaintiff was not determined to be ineligible for until after the release agreement was executed, and IKEA continuously misled plaintiff as to his benefit eligibility after the release agreement was executed.

Anastos v. IKEA Property, Inc., 2021 WL 1017410 (N.D. Ga.)

