

DEATH PRIOR TO LUMP SUM WINDOW ELECTION PERIOD PRECLUDES LUMP SUM ELECTION

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In April 2012, Ford Motor Company notified participants in a defined benefit plan that the plan would provide retired participants with an option to election a lump sum distribution benefit beginning in August 2012. A participant who was suffering from a terminal illness wished to exercise his option and requested distribution forms from Ford's Service Center which went unanswered. In November 2012, a postcard stating that participant was eligible for the lump sum option was sent to the participant. The participant sent Ford a letter on November 16, 2012 declaring that he was electing the lump sum option. The participant and spouse were told by telephone that they would have to wait until December 2012 to obtain forms to elect the lump sum option. The participant died on November 18, 2012. In February 2013, Ford informed the attorney for the beneficiary that the participant was ineligible for the lump sum benefit because he died before the December 14, 2012 date when the election period for the lump sum option commenced. The District Court for Eastern District of Michigan upheld the decision made by the Administrator of Ford Motor Company's Retirement Plan. The Court noted that surviving spouse presented a sympathetic case but, that the Plan provisions were appropriate and the prior attempts to elect a lump sum election were properly made. *Strang v. Ford Motor Co. Gen. Ret. Plan* (E.D. Mich. 2016)

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