

Publications

Plaintiff Goes Down to Georgia ... Court Rules in Favor of Employer Paying Nonqualified Plan Benefits as Lump Sum on Plan Termination

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A federal district court recently granted an employer's motion to dismiss a claim for benefits on the ground that the satisfaction of annuity benefits under a nonqualified retirement plan with a lump sum payment does not adversely affect a participant's benefit. *Taylor v. NCR Corp.*, No. 1:14-cv-2217-WSD (N.D. Ga. Sept. 23, 2015). In the case, the employer terminated its nonqualified retirement plan and replaced the participant's monthly benefit payable as a joint and survivor annuity with a single, actuarial equivalent lump sum payment. In its decision, the court agreed with the employer that the tax consequences of benefit payments are not part of the accrued benefit protected by ERISA. This case, while only at a district court level, is helpful to employers who intend to terminate their nonqualified plans by paying out the full value of the benefits as lump sum payments to the participants. Please see the attached memo for further information.

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