

Publications

Split in Recent Cash Balance Rulings

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SERVICES

The courts issued two recent rulings in the pending class action lawsuits against the FleetBoston and AT&T cash balance plans. In the FleetBoston case, the court made a preliminary finding that the cash balance formula violates age discrimination rules. Until now, only one other court had made such a finding (the widely publicized ruling against the IBM plan), while many others have found these plans to comply with the age discrimination rules. The IBM appeal was argued on February 16 before the Seventh Circuit and a decision could come at any time. In the AT&T decision, the court dismissed a number of claims, including alleged failures to properly inform participants of “wear-away” and other aspects of the cash balance plan.

We continue to closely monitor developments in this area. We are also actively involved with litigation and legislative activity on cash balance plan issues.

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