

# GM Not Obligated to Make \$450 Million Contribution to Fund Union Retiree Health Benefits

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The Sixth Circuit held that GM was not obligated to contribute \$450 million to fund retiree health benefits for UAW members because the most recent contract between the UAW and GM extinguished GM's former obligation to contribute. In response to earlier litigation between the UAW against GM to recover retiree health benefits and a bankruptcy reorganization, GM established a trust to fund UAW retiree health benefits and agreed to make a one-time \$450 million payment to the trust. Thereafter, GM filed for Chapter 11 bankruptcy and sold all of its assets and liabilities to the "New GM." Days after the sale was approved, New GM and the UAW entered into a new settlement which: (1) did not mention the \$450 million payment, and (2) established a new benefits agreement. When the UAW sought the \$450 million payment, New GM refused to pay, arguing in part that the agreement did not require such a contribution... [Continue](#)

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