

Seventh Circuit: Agreement for Retiree Healthcare Benefits Survives Agreement's Termination

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The Seventh Circuit held that retirees and their families were entitled to lifetime healthcare benefits because, although the healthcare agreement that had been negotiated by their union had expired, it provided that covered individuals “shall not have such coverage terminated or reduced . . . notwithstanding the expiration of this Agreement, except as the Company and the Union may agree otherwise.” The Seventh Circuit applied ordinary contract law interpretation principles and concluded that the agreement “unambiguously” provided the retirees with vested healthcare benefits. And, even if the agreement was viewed to be ambiguous, the Court determined that the parties’ behavior provided enough extrinsic evidence to support the conclusion that retiree benefits had vested. The case is *Stone v. Signode Indus. Grp. LLC*, No. 19-1601 (7th Cir. 2019).

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