

U.S. Supreme Court Holds ERISA Defined Benefit Plan Participants Without Monetary Losses Lack Article III Standing to Assert Breach of Fiduciary Duty Claims

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Earlier today, the U.S. Supreme Court affirmed a decision by the [Eighth Circuit](#) holding that ERISA plan participants lack Article III standing to sue for breach of fiduciary duty to recover investment losses in a defined benefit fund that was not underfunded. The Court concluded that the participants lacked a concrete stake in the dispute because they would receive the full value of their promised benefits regardless of the outcome. In so holding, the Court rejected all four of plaintiffs' alternative standing arguments, finding that: (i) in the defined benefit plan context, the trust law principal that an injury to the plan is an injury to the participant is inapplicable because participants' benefits are fixed and do not depend on the value of the plan; (ii) asserting a claim on behalf of an ERISA plan under Section 502(a) does not alleviate the requirement under Article III that the named plaintiff suffer an injury-in-fact; (iii) satisfying statutory standing (i.e., being a person authorized to sue to vindicate the statute) does not mean that a plaintiff "automatically" satisfies Article III's injury-in-fact requirement; and (iv) the question of whether there are independent means to regulate fiduciary conduct is irrelevant to the Article III standing issue and, in any event, defined benefit plans are regulated and monitored in multiple ways, including by the Department of Labor.

Justice Thomas concurred in the Court's opinion but wrote separately to again set forth his objection to the Court's practice of using the common law of trusts as a "starting point" for interpreting ERISA instead of the language of ERISA itself. Justice Sotomayor authored a lengthy dissent arguing that plan participants have standing to sue for violations of ERISA fiduciary duties regardless of whether the plan's losses reduced participant benefits.

The case is *Thole v. U.S. Bank, Nat'l Ass'n*, 2020 WL 2814294 (U.S. June 1, 2020).

We will write separately to set forth Proskauer's perspective on some of the potential implications of the Court's ruling.

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