

## Eighth Circuit Holds that Failure to Follow the Plain Language of the Plan is Abuse of Discretion

---

March 1, 2017

---

---

Within three years following the acquisition of Anheuser-Busch Companies (the “Company”) which resulted in a change-in-control, the Company sold its entertainment division. The Company’s pension plan provided that a plan participant “whose employment with the Controlled Group is involuntarily terminated within three (3) years after the Change in Control” would be eligible for enhanced pension benefits. The Company determined that the employees of the entertainment division were not eligible for enhanced pension benefits because they continued working with the successor entity after the sale and therefore did not terminate employment. The district court and the Eighth Circuit disagreed. Applying a plain-text analysis to the plan, the Eighth Circuit determined that because the employees were no longer employed with the controlled group, their “employment with the Controlled Group” had terminated. Although the plan granted the Company discretion to interpret terms and decide benefits, it was an abuse of discretion to not follow the terms of the plan. [\*Knowlton v. Anheuser-Busch Companies Pension Plan\*](#), No. 15-3538, slip op. (8th Cir. Feb. 22, 2017)