

ERISA Does Not Preempt Employee Lawsuit For Fraudulent Inducement

April 4, 2011

An employee retired one year short of a thirty-year pension but was surprised when she did not receive a full pension after a one-year bridge benefit. She sued in state court on fraudulent inducement, claiming her employer misrepresented to her that she would be eligible for the full retirement benefit if she retired early. The defendant removed to federal court, asserting that her claim is preempted by ERISA, and she filed a motion to remand. The Federal district court remanded to state court, holding that ERISA does not preempt the employee's claims because she did not claim that she was denied benefits under the plan or that the plan was improperly administered. Rather, her complaint goes to the negligent misrepresentations her employer made to her, not the terms of the plan or its administration. Thus it neither addresses an area of exclusive federal concern nor affects the parties' relationship under ERISA. The opinion turned on the court's interpretation of different Fifth Circuit decisions which could support each party's position. *Wilson v Int'l Business Machines Corp.*, No. 3:10-CV-2471-B (N.D. Tex. Mar. 22, 2011).