

The Supreme Court Holds Participants in Fully-Funded Defined Benefit Plans Cannot Sue for Fiduciary Breach

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The U.S. Supreme Court held Monday that participants in a fully-funded defined benefit plan have no standing to bring a lawsuit against plan fiduciaries for a breach of ERISA's fiduciary requirements. In *Thole*, plan participants alleged that the plan fiduciaries had mismanaged funds and invested in imprudent investments causing the plan to lose approximately \$748 million more than it otherwise should have during the 2008 recession. Subsequent to that date, the plan sponsor contributed an additional \$311 million to the plan resulting in the plan becoming fully funded. The Court held that because the participants would receive the same benefits whether they won or lost the lawsuit, there was no controversy and, therefore, the participants had no standing under Article III of the U.S. Constitution to bring a civil action under Sections 502(a)(2) or 502(a)(3) of ERISA.

Thole v. U.S. Bank N.A., No. 17-1712 (U.S. June 1, 2020) can be found [here](#).