

U.S. Supreme Court Rules Lifetime Retiree Health Benefits Cannot be Inferred from CBA

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In the case of *CNH Industrial N.V. v. Reese*, an employer and certain retirees disputed whether an expired collective bargaining agreement (CBA) covering union employees created a vested right to lifetime retiree health benefits. The retirees had successfully argued at the U.S. Court of Appeals for the Sixth Circuit that the duration of their retiree health benefits was ambiguous because the CBA was silent on that issue, which enabled the Sixth Circuit to consider other extrinsic evidence to support its finding that retiree health benefits were vested for life. The Supreme Court, however, disagreed, reasoning that (i) silence alone regarding the duration of retiree health benefits did not make the CBA ambiguous in that regard and (ii) ambiguity required the terms of the CBA to reasonably support an interpretation that retiree health benefits were intended to be vested for life before any extrinsic evidence could be applied. Consequently, the Supreme Court held that, absent any specific language in the CBA to the contrary, the retirees' rights to continued health benefits expired along with the CBA. Employers that may have been wary about modifying legacy retiree health benefits may now decide to review their options in light of this recent Supreme Court decision. [View the Supreme Court's opinion.](#)