

Recent Supreme Court Decision

On February 21, 2008, the U.S. Supreme Court ruled in *LaRue v. DeWolff*, Case No. 06-856, that individual participants in Defined Contribution Retirement Plans can file suit (under ERISA) for loss of assets/investments in their individual accounts allegedly caused by fiduciary breach.

What does this mean for Employers who sponsor retirement plans?

Are you in danger of being sued for investment loss?

This decision opens the door for individual participants to file suit against employers and it may generate some litigation; however, it is important to remember that this case was about **FIDUCIARY BREACH** not plan loss due to market decline or other reasonable investment loss.

What can Employers do to protect themselves?

- Maintain a high standard of responsibility in handling participant requests.
- Establish and maintain internal controls to accurately process participant elections.
- Audit the system periodically to insure requests are not overlooked.
- Verify and monitor all requests to ensure processing by the service provider is timely and accurate.