

Bailey Glasser Representing Pensioners in American Airlines ERISA Suit

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Last week US District Judge Reed O'Connor ruled that American Airlines must face a proposed class action accusing it of shorting pensioners by using an outdated mortality table to calculate their benefits in violation of the Employee Retirement Income Security Act (ERISA).

The Texas federal judge denied American Airlines Inc.'s bid to dismiss the ERISA suit brought by participants and beneficiaries of its retirement plans.

In the ruling, Judge O'Connor said that the airline's use of a 1984 mortality table and 5% interest rate assumption resulted in alternative benefits, such as those available to pensioners who opted for a right of survivorship, that were not "actuarially equivalent", as required by ERISA, to what they would have received had they taken the single life annuity. American Airlines had requested to toss the suit claiming that its use of the 1984 mortality table was reasonable and didn't concern the actuarial equivalence requirements at play in the case.

Along with co-counsel, the pensioners are represented by Bailey Glasser lawyers, Greg Porter and Mark Boyko.

Attorneys

Mark G. Boyko

Gregory Y. Porter

Practice Areas

ERISA, Employee Benefits & Trust Litigation