

19-1401 HUGHES V. NORTHWESTERN UNIVERSITY

DECISION BELOW: 953 F.3d 980

LOWER COURT CASE NUMBER: 18-2569

QUESTION PRESENTED:

Under the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. § 1104, a plan fiduciary is required to meet a standard of "prudence" in administering the plan holding the participant's retirement assets in a defined contribution plan. The Third and Eighth Circuits have held that a plan participant can adequately plead a breach of fiduciary duty by claiming that the retirement plan charged excessive fees when lower-cost alternatives existed. In the decision below, the Seventh Circuit held that virtually identical pleadings are insufficient to state a claim, because it is necessary to credit the defendant's explanation for not offering lower cost options for the retirement plan before allowing a well-pleaded complaint to proceed. The question presented is:

Whether allegations that a defined-contribution retirement plan paid or charged its participants fees that substantially exceeded fees for alternative available investment products or services are sufficient to state a claim against plan fiduciaries for breach of the duty of prudence under ERISA, 29 U.S.C. § 1104(a)(1)(B).

CERT. GRANTED 7/2/2021