

Lawsuit Accuses Conagra of Shirking Pension Benefits

An ERISA complaint against the Conagra pension plan claims the fiduciary and plan administrator are ignoring distribution rules laid out in a missing document from 1980s.

Reported by [NOAH ZUSS](#)

A new [class action lawsuit alleges](#) the Conagra Brands Inc. pension plan underpays benefits to retirees of a former subsidiary, Beatrice Foods Company, by dismissing a provision in the pension plan that would allow beneficiaries to receive full benefits at age 60, instead of age 65.

The lawsuit, *Steven C. Tyrakowski et al v. Conagra Brands Inc. Pension Plan et al*, brought five class action allegations against the defendants—Conagra Brands Inc. Pension Plan, Conagra Brands Employee Benefits Administrative Committee and 10 unnamed individuals—under the Employee Retirement Income Security Act for breach of fiduciary duties to participants.

The complaint says Tyrakowski requested from the fiduciary and plan administrators a copy of the Beatrice plan document in 2022, as he is entitled to under ERISA. The Conagra Brands Employee Benefits Administrative Committee responded that the record could not be located, plaintiffs' attorneys wrote.

"The plan administrator refused, claiming it is lost—a Beatrice plan document that likely covers thousands of people's retirement pensions and which the fiduciary is legally required to refer to when administering the plan for former Beatrice plan participants," the complaint states. "By not relying on the lost Beatrice plan document, Conagra is underpaying benefits under the Beatrice defined benefit plan because it is paying and administering benefits as if retirees cannot collect them until 65, while the actual plan document required benefits to start at 60."

Tyrakowski started working at Downers Grove, Illinois-based Beatrice Foods Company in 1978, was a participant in the Beatrice Retirement Income Plan, accrued pension benefits during his employment and left Beatrice in 1988, according to the complaint.

In 1987, the plaintiff's pension benefits became vested. Tyrakowski had a deferred vested benefit, which was an accrued benefit, the complaint states.

As of 1988, the Beatrice pension plan had approximately 20,000 employees, the filing shows.

The particulars of the ERISA complaint are unusual, explains Drew Oringer, a partner and general counsel at the Wagner Law Group, which was not involved in the litigation.

"It's unusual for a major company to lose access to the plan documents that are necessary to determine how to calculate and when to pay benefits," Oringer says via email. "I would not have expected those kinds of participant inquiries to result in a full-blown actual class-action litigation. Ordinarily, one would expect such an inquiry would be relatively non-controversial."

A Brief History

In February 2022, Tyrakowski received an information packet from the Conagra plan that stated he would be able to commence his benefits at age 65, the complaint states. Previously, the plaintiff had tried to use a Conagra online

benefit calculator with a benefit starting date before he turned 65, but the site informed Tyrakowski he was ineligible to retire and should try a later date, the filing shows.

After Tyrakowski received the packet, he contacted the plan service center, which advised him that the accrued pension benefits would not begin until age 65, that he was not entitled to a retroactive benefit to age 60 and that there would be no upward adjustment in the amount of his pension going forward to compensate him for the benefits that were payable starting at age 60, the complaint states.

Tyrakowski appealed the denial of benefits, and the plan replied in a letter denying the claim.

"The letter concedes plaintiff was entitled to an unreduced deferred vested unreduced pension benefit at age 60, i.e., at any time after May 2017," the complaint states. "However, it continues that plaintiff was 'free to contact the Pension Service Center at any time to elect to commence [his] benefit.' In other words, the plan is taking the position that 'you snooze, you lose' and that plaintiff forfeited five-years' worth of pension benefits because he did not contact the Plan and elect to receive his unreduced benefit in May 2017."

The Beatrice Retirement Income Plan was subsumed into Conagra's benefits after global investment company KKR sold Beatrice in 1990. By purchasing Beatrice, Conagra became liable for the promises made under the BRIP, argued the plaintiffs' attorneys.

"At some point between 1986 and 1989, the BRIP was amended," states the complaint. "Before the amendment, the BRIP required vested participants to wait until age 65 to begin receiving an unreduced retirement annuity; after the amendment, the age was lowered to age 60."

The complaint notes periodic company ownership changes also affected participants' retirement benefits that apply to Tyrakowski and the class of participants.

In 1989, the pension administrator for BRIP sent Tyrakowski an official document to notify him that, beginning at age 60 or older, he would be eligible for an unreduced benefit and advised he must commence receiving payment of the benefit no later than age 65, according to the complaint.

Alleged 'Cutback'

The plaintiffs' attorneys allege in the complaint that, at some point after losing the BRIP plan document, Conagra amended the Beatrice plan by changing the age at which participants could receive a full, unreduced retirement pension from age 60 to age 65 and that the plan fiduciaries knew or should have known this was not permitted under ERISA's anti-cutback rule.

The [IRS finalized regulations](#) under the Internal Revenue Code in 2005 to reflect legal and legislative changes. The anti-cutback rules protect participants' accrued benefits, early retirement benefits, retirement type subsidies and other forms of optional benefits offered under qualified retirement plans, according to IRS [posted guidance](#).

The complaint, filed in the U.S. District Court for the Northern District of Illinois, Eastern Division, seeks relief and for a judgment in favor of the plaintiffs, the complaint states.

The plaintiffs' class action complaint asks the court to certify the class as all individuals who were participants or beneficiaries in the Beatrice Retirement Income Plan whose obligations were assumed by Conagra.

The lawsuit also asks the court to hold to account "everyone who is responsible under ERISA for this mess," to clarify what benefits Tyrakowski and other class members are entitled to and award damages due to him and all other similarly situated participants.

"It will be interesting how the court will proceed to try to ascertain what the controlling provisions really are, if the case goes all the way to a decision," Oringer says. "It will also be interesting, if the case goes all the way to a

decision, to see how the court handles the application of ERISA's document-production requirements, and the associated penalty provisions, in a situation in which the underlying documentation cannot be located."

The plaintiff and proposed class are represented by law firm Heffner Hurst, based in Chicago, and Oak Park, Illinois-based Charles Watkins, of Guin Stokes & Evans, according to the complaint. It is unclear if the defendants have secured representation.

Conagra did not respond to a request for comment on the litigation.

Tags [defined benefit retirement plans](#), [Employee Retirement Income Security Act](#), [fiduciary breach](#), [Internal Revenue Code](#), [IRS](#)

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