SUPREME COURT OF THE UNITED STATES

Pension Benefit Guaranty Corp. v. LTV Corp.

Pension Benefit Guaranty Corp. v. LTV Corp., 493 U.S. 1016 (1990) · Decided January 8, 1990

SUMMARY

The Supreme Court upheld the Pension Benefit Guaranty Corporation's (PBGC) restoration of LTV Corporation's terminated pension plans under ERISA § 4047. The Court rejected LTV's "follow the rules" strategy, which shifted pension liabilities to the federal insurance system while the company negotiated new benefits. Applying the arbitrary and capricious standard, the Court found the PBGC properly exercised its discretion to prevent abuse of the termination insurance program. This decision affirmed the PBGC's broad authority to restore plans when a termination would undermine the insurance system.

OPINION

PER CURIAM.

C. A. 2d Cir. [Certiorari granted, ante, p. 932.] Motions of American Society of Pension Actuaries, Armeo et al., and Retired Employees Benefits Coalition, Inc., for leave to file briefs as amici curiae granted.