



June 7, 2023

BY OVERNIGHT MAIL DELIVERY

Board of Trustees

Northwest/Rocky Mountain Administration

Western Conference of Teamsters Pension Plan

2323 Eastlake Avenue, East

Seattle, WA 98102-3393

RE: In the Matter of the Claim for Benefits by Jean [redacted] for Joint and Survivor Benefits under Raymond Tehle's Teamster's Pension Plan.

Dear Board of Trustees:

This is Jean [redacted]'s initial Claim for Benefits from the *Western Conference of Teamsters Pension Trust Plan* - pursuant to Section 503 of the *Employee Retirement Income Security Act* ("ERISA"), Department of Labor Regulations, and the Plan's Claims and Appeals Procedure. Jean Tehle is the surviving spouse of Raymond Tehle, a deceased Plan Participant.

Procedural History

On October 26, 2022, Jean [redacted] by and through her attorney Rory Foley of Trellis Pension and Retirement Rights - submitted an information request to the Plan – to obtain documents and other background information regarding Ms. [redacted]'s qualification for a surviving spouse benefit. [See Exhibit "A"]. You will note on the last page of this correspondence – it is expressly written and noted "THIS IS NOT A FORMAL CLAIM FOR BENEFITS." In response to this request for

information, the Plan sent a correspondence dated January 10, 2023 – *deeming* this request for information as a formal Claim for Benefits.¹ The Plan is violating ERISA law and Department of Labor regulations in “deeming” this correspondence as a formal Claim for Benefits. This correspondence was **NOT** - nor was it intended to be - a Formal Claim for Benefits; it ~~was~~ merely a request for information. In response, the Plan should have provided with a copy of the applicable Plan Document and the applicable Summary Plan Description.

A review of this October 26, 2022 correspondence also demonstrates that no arguments supporting Jean's right to a survivor benefit were set-forth in this correspondence. Furthermore, no request or demand was made in this document for benefits of *any kind* for Jean. There was no recitation of federal law, no referencing Plan Document sections, no Exhibits, nor any other material provided in support of Jean's right to benefits from the Plan, and that would have had to be submitted in order for the Plan to properly *rule* on a Claim for Benefit.

The Plan should follow federal law, Department of Labor regulations, and its own internal Claims and Appeals Procedures – by accepting this June 6, 2023 formal Claim for Benefits – and issuing a decision in compliance with ERISA and Department of Labor Regulations - with a right to file a subsequent Appeal.

As an aside, I do believe Plan procedures and federal law were applied incorrectly - *inadvertently and without any malice* - by the Plan. I believe if given a proper forum and opportunity to file a Claim and - if necessary, an Appeal – that I can demonstrate to the Plan's complete satisfaction that Jean IS entitled to receive a surviving spouse pension benefit - both in compliance with federal law *and* the Rules and Regulations set-forth in the official Plan Document.

Everybody wins !²

¹ The Plan's January 11, 2023 letter was addressed to Richard Foley, not Rory H. Foley, the undersigned attorney. The Plan re-sent the January 11, 2023 denial letter to attorney Rory Foley on March 30, 2023 by email.

² ***In light of the global COVID-19 pandemic, the Department of Labor has extended the deadline for filing any Claim or Appeal for benefits to 60-days after the earlier of (i) the end of the national emergency; or (ii) one year from the date of any letter properly denying benefits.***

Factual Background

Jean [redacted] hereby files a formal Claim for Survivor pension benefits, as the surviving spouse of Raymond [redacted] (hereinafter, "Raymond") - a deceased member of the *Western Conference of Teamsters Pension Trust Plan* (hereinafter the "Plan"). Raymond became disabled and applied for - and was approved - for a *Disability Pension* benefit from the Plan. The effective date for this disability pension was July 1, 1994. Raymond was age 56 when he began to receive this benefit, and thus too young to qualify for the Plan's Normal Retirement Benefit.

This disability form of benefit was paid to Raymond as a Single-Life Annuity - with no survivor benefits available.

On August 24, 1994 - less than two months after receiving the disability benefit - Raymond [redacted] married Jean [redacted]. See the attached "Marriage Certificate" - Exhibit "B".

After turning age 57 in November 1994, Raymond [redacted] was now eligible to select another form of benefit - not a *disability* pension benefit - from the Plan. He submitted an Application for Benefits on February 13, 1995. Although Raymond was legally married at the time of this February 1995 application - he failed to disclose this truth to the Plan. Accordingly, Raymond applied for a Plan Life-Only annuity retirement benefit.

The Plan made his benefit selection retroactive to July 1, 1994, a date prior to his marriage to Jean [redacted]. Jean [redacted] never consented to Raymond [redacted]'s Life-Only retirement benefit selection at any time after their August 24, 1994 marriage. She only became aware of Raymond [redacted]'s Life-Only benefit election after his February 23, 2019 death.

Jean [redacted] contacted the Plan immediately after Raymond's death to inquire about her eligibility for a surviving spouse benefit from the Plan. The Plan informed her that she was not eligible for benefits because Raymond had selected a Life-Only form of benefit.

By correspondence dated October 26, 2022, Jean [redacted] - by and through her attorney Rory Foley of Trellis Pension and Retirement Rights - submitted an information request to the Plan - to obtain documents and other background information regarding Ms. [redacted]'s qualification for a surviving spouse benefit. As stated above, this correspondence was *not* a formal Claim for Benefits.

Jean now files this formal Claim for Benefits – objecting to the Plan’s erroneous and arbitrary application of a retroactive pension effective date that deprives her of a survivor benefit, and because it is an undisputed fact that Jean was married to Raymond when he completed his Benefit Election Form on May 4, 1995.

ARGUMENT

I. THE PLAN ERRORED WHEN IT IGNORED RAYMOND AND JEAN MARITAL STATUS AND ALLOWED THE ELECTION OF A SINGLE LIFE-ONLY FORM OF BENEFIT

Federal law requires that - as a legally married Plan Participant - Raymond was required to elect a form of benefit that provided a surviving spouse benefit for his wife – Jean. If Raymond wanted to *reject* the federally-mandated qualified joint and survivor form of benefit in favor of a Life-Only form of benefit, it was necessary that his then-wife Jean agree to and consent to this Life-Only form of benefit, and that she specifically agreed to *waive* her rights to a surviving spouse benefit.

Jean never signed Raymond’s retirement form, nor waived her right to a survivor benefit. She never knew that Raymond selected a Life-Only benefit depriving her of a survivor benefit. Although she was married to Raymond when he applied for a retirement benefit, the Plan Administrators allowed Raymond to apply for a Life-Only benefit retroactively to a period prior to his marriage to Jean.

The procedure that was followed by the Plan in approving Raymond’s Life-Only benefit was in violation of federal law – the *Employee Retirement Income Security Act* (or “ERISA”). Amendments made to ERISA in 1984/1985 as a result of the *Retirement Equity Act* mandate that any ERISA-governed pension plan³ provide benefits to married participants *only* in the form of a qualified joint & survivor benefit – *unless* the non-participant spouse agrees to waive her right to a qualified joint & survivor benefit. Any such waiver must be clear and express; any language describing and detailing the effects of any waiver must be clearly

³ The *Western Conference of Teamsters Pension Trust Plan* is governed by ERISA.

explained on a proper form, so as to ensure that the non-participant spouse understands precisely the rights they are giving up and forfeiting. Any effective waiver must - in unequivocal terms – describe the exact rights that a non-participant spouse who is signing the waiver is forfeiting.

The "Benefit Election Form" was completed and signed by Raymond on May 4, 1995. [See Exhibit "C"]. A review of this form demonstrates that Jean never signed this form – forfeiting her right to surviving spouse benefits. This form also provides an "Application Receipt Date" of February 13, 1995; and further indicates that Raymond DID elect Optional Death Benefit coverage - as follows:

Column 1

The Benefit Payments below Have Been Reduced To Provide An Optional Lump sum Death Of \$5346.00.

[See Exhibit "C"]

The Plan was required by federal law to obtain Jean's signature and a statement acknowledging her waiver of surviving spouse benefits on the "Benefit Election Form". The Plan failed to obtain Jean's signature.

Furthermore, the "Benefit Election Form" has no language present which purports to constitute Jean : *acknowledging* that she was forfeiting her federally mandated surviving spouse benefit.

The Plan's "Benefit Election Form" signed by Raymond failed to properly advise Raymond's legal spouse Jean of her right to a surviving spouse benefit; or that she was "waiving" and forfeiting such benefit. The "Benefit Election Form" fails to provide any meaningful information which clearly indicates which precise rights Jean is purportedly giving up. There is no description of any Joint and Survivor Annuity forms of payment listed on the "Benefit Election Form" Raymond signed.

In short, there is no language anywhere on this "Benefit Election Form" that demonstrates that Jean understood the rights she was waiving; that she understood the effect of signing the "waiver" form; and that she acknowledged that

she understood the consequences of signing any form. In fact, her signature is nowhere on this form. This a clear violation of federal law.

Jean did not sign and execute a valid waiver of her *guaranteed* surviving spouse benefit. Therefore, any such “waiver” is ineffective and inoperable. As such, Jean – as the surviving spouse of Plan Participant Raymond – should be entitled to receive an ongoing surviving spouse pension benefit from the Plan.

Furthermore, because the Plan had Raymond *re-apply* for benefits (effective February 13, 1995) and complete a new “Benefit Election Form” on May 4, 1995, the Plan violated ERISA. Raymond was already receiving *disability* pension benefits – not an Early of Normal Retirement Benefit – effective July 1, 1994. However, subsequent to that date – on August 24, 1994 – Raymond married Jean – and was legally married to Jean when he submitted a new application on February 13, 1995, and when he completed his “Benefit Election Form” on May 4, 1995.

The REA Amendments to ERISA require that when Raymond submitted a *new* application on February 13, 1995 – and completed the “Benefit Election Form” on May 4, 1995 – that the Plan obtain a written consent from his legal spouse Jean. Contrary to the Plan’s prior assertions, the Plan cannot use a retroactive “Pension Effective Date” of July 1, 1994 as a means to preclude Jean federally mandated right to a surviving spouse pension benefit.

The Plan had a duty to carefully review Raymond’s Retirement Application and his Life Only benefit selection to ensure that it was properly executed. This is perhaps the most important form in any pension Plan Participant’s file. It had to do more than simply stamp the receipt date on the form. As a fiduciary, it had to ensure that the benefit application form complied with ERISA’s requirements for waiving survivor benefits, or a minimum, notifying Jean of her husband’s benefit selection prior to its effective date. Its’ failure to do so vitiates any valid and reasonable reliance upon Raymond’s selection of the Life Only form of benefit.

II. THE PLAN BREACHED ITS FIDUCIARY OBLIGATIONS IN DENYING JEAN BENEFIT CLAIM.

The Teamsters Pension Plan is required to administer the Plan for the exclusive benefit of its members and their beneficiaries. In doing so, the Plan acts as a fiduciary for the Plan members, and their beneficiaries. As a fiduciary, the Plan must exercise its duties with the degree of care and skill ordinarily performed by other similarly situated individuals. An ERISA fiduciary is anyone who exercises discretionary authority over the Plan's management, and/or over the Plan's assets, and Plan administration. *29 USC Sections 404(a)(1) and 1104(a)(1)*. In managing Raymond Tehle's pension account, and paying benefits, the Plan administrators acted in a fiduciary capacity subject to the duties prescribed by ERISA. See, *Credit Managers' Association v. Kennesaw Life Insurance Co.*, 809 F.2d 617, 625 (9th Cir. 1987). The Plan administrators' fiduciary obligations include the duty of care, duty of loyalty, and duty to act as prudent persons would act in a similar situation.

A. Duty of Care.

The duty of care for Plan fiduciaries is rooted in negligence principles and is an affirmative duty. *Wright v. Nimmons*, 641 F. Supp. 1391, 1402 (S. D. Tex. 1986); *Phillips v. Maritime Association-ILA Local Pension Plan*, 194 F. Supp.2d. 549, 555 (2002)(*Plan administrator's failure to submit Domestic Relations Order to Plan attorney and Plan actuary for determination of whether Order is a Qualified Domestic Relations Order resulted in overpayments and breached the Plan's fiduciary duty to its members.*) In exercising their responsibilities, the Plan fiduciaries must inform themselves of all material information reasonably available to them. Compare, *Smith v. Van Gorkem*, 488 A2d 858 (Del. 1985). Further analogous corporate fiduciary responsibility duties requires that corporate directors not accept information at face value. Rather, corporate fiduciaries must examine information with a "critical eye" to protect the shareholders. *Maron v. Household International, Inc.* 490 A2d 1059 (Del. Court of Chancery, 1985).

The Plan breached its Duty of Care.

In this case, the Plan knew or should have known that Raymond married Jean in August, 1994, when he filed his February 13, 1995 Life-Only Retirement application, nevertheless, it retroactively approved his Retirement Application to July 1, 1994 a date that preceded his marriage. At a minimum the Plan should have inquired when filed his Life Only Retirement application

whether his marital status had changed since he first applied for disability benefits. The Plan administrators had a duty to inform themselves of [redacted] marital status when he applied for his Life Only benefit. The Plan did not notify Jean [redacted] when it back-dated [redacted] s retirement application and approved his life-only benefit selection, by sending her a letter alerting her to Raymond [redacted] s Life-Only selection and his rejection of the Survivor benefit option. Such a letter would have ensured that Jean [redacted] had received proper prior notice of his rejection of her right to a continued Plan survivor benefit, and it would have provided her with an opportunity to address Raymond's waiver of the survivor benefit option.

B. Duty of Loyalty.

ERISA imposes the duty of loyalty upon Plan fiduciaries to operate the Plan for the exclusive benefit for Plan participants and beneficiaries. *See, Berlin v. Michigan Bell Telephone*, 858 F.2d 1154, 1162 (6th Cir. 1988); 29 U.S.C. Sections 404 (a)(i) and 1104 (a)(1). The Plan fiduciaries must make all decisions "with an eye single to the interests of the participants and beneficiaries." *Berlin*, Id., quoting *Donovan v. Bierwirth*, 680 F2d. 263, 271 (2d. Cir. 1982).

The Plan breached its Duty of Loyalty.

In this case, the Plan violated its duty of loyalty to Jean [redacted] when it did not verify Raymond [redacted] s marital status when he applied for the Life-Only benefit selection Form. Had it done what its duty of loyalty required it to do, the Plan would have discovered that Raymond [redacted] was, in fact, married to Jean [redacted] when he submitted his application, and it could have prevented his improper denial of Jean [redacted] s receipt of Survivor option benefits by ensuring that she had notice of his Life Only benefit selection. Even after Jean [redacted] brought the issue of her contemporaneous marriage to Raymond [redacted] when he filed his pension application to the Plan's attention after his death, it took no effort to reverse its decision to retroactively grant [redacted] s pension to a date preceding his marriage to Jean [redacted] and grant her survivor benefits. Instead, it ignored [redacted] s married status as of February 13, 1995 and relying on the retroactively-granted Life Only retirement benefit application, denied her claim. The Plan breached its duty of loyalty to Jean [redacted], who, but for Raymond [redacted] s deception, would have qualified as a Plan beneficiary entitled to a survivor benefit.



UPPER MIDWEST PENSION RIGHTS PROJECT

1265 GREY FOX ROAD • ARDEN HILLS, MN. 55112
• (651) 251-5765 • (866) 783-5021 • (651) 641-8612



CLIENT AUTHORIZATION

I, _____, am the surviving spouse of Raymond
_____. Prior to his death, Raymond _____ was a participant in the
Western Conference of Teamsters Pension Trust Pension Plan.

I, Jean _____ herby authorize David A. Bonello, Esq. and the Upper Midwest
Pension Rights Project (UMPRP), to request and obtain information, records, and
documents (or copies) concerning any surviving spouse pension benefits I am
entitled to receive from the *Western Conference of Teamsters Pension Trust
Pension Plan.*

A copy of this form shall be as valid as the original.

April 19, 2021
Date

TRELLIS
Pension and Retirement Rights

BY CERTIFIED MAIL

October 26, 2022

Ms. Glory Steele
Pension Service Department
Western Conference of Teamsters Pension Trust
2323 Eastlake Avenue East
Seattle, WA 98102-3305

RE: Raymond

Date of Death: February 25, 2019

Dear Ms. Steele:

My name is Rory H. Foley, and I am an attorney with Trellis Pension and Retirement Rights in Arden Hills, Minnesota. You previously corresponded with my colleague, David A. Bonello, regarding our client, Jean [redacted] Raymond [redacted] s widow, whose address is: [redacted], and her rights to any benefits from Raymond [redacted] s Western Conference of Teamsters Pension Trust Plan (hereinafter, "Plan") account. *Enclosed are copies of Ms. Jean [redacted] s signed Client Authorization form; ~~Investigative Retainer Agreement~~; and August 24, 1995 Marriage Certificate.*

Ms. [redacted] as Raymond [redacted] s (hereinafter, "[redacted]") surviving spouse has questions regarding her eligibility for benefits from his Plan account. We would appreciate it if you could answer her concerns about the Plan, and its determination that she is not entitled to any benefits from [redacted] s Plan account. With that framework in mind, please respond to the following questions regarding the Plan; [redacted] s benefits selection; and Jean [redacted] s rights as a surviving spouse.

EXHIBIT "A"

July 1, 1994 Pension Effective Date.

First, I note that Raymond ; Plan Benefit Application Form indicates the Pension Effective Date as July 1, 1994. The form does not indicate the date that he stopped working, nor when the Plan issued his first Plan retirement benefit payment.

- What was 's official last day of work?
- When did submit his Retirement Benefit Application?
- How does the Plan define "Effective Date" for purposes of initiating retirement benefit payments?
- How does the Plan process a Retirement Benefit Application once received?
- What is the maximum retroactive retirement benefit payment period allowed under the Plan?
- When did the Plan pay Tehle his first monthly retirement benefit, what was benefit amount, and what time-period did that cover?

February 13, 1995 Pension Application Receipt Date.

Secondly, the Plan lists the application receipt date as February 13, 1995.

- Does the February 13, 1995, Pension Application apply to 's initial retirement benefit application, or to some other Plan benefit, or deferred compensation account? If not, why does the Plan allow a retirement benefit application to be filed seven (7) months *after* the purported effective date?
- How does a member's last day of work relate to the benefit effective date?
- What provisions in the Plan Document govern the benefit application process?
- Are there any retirement benefit application deadlines set forth in the Plan Document?
- Does the Plan provide for any exceptions to any retirement benefit application deadlines?

- Does the application process address any intervening change in circumstances, such as marriage or death, prior to the benefit commencement date?
- Has the Plan ever afforded any exceptions in processing a Benefit Application, for an intervening marriage or death between the time when the Benefit Application is filed, and the time when the benefit is set to begin? If so, what were the circumstances, and how did the Plan address those circumstances?

May 4, 1995 Benefit Election Form.

Third, the file contains a copy of _____'s Benefit Election Form dated May 4, 1995, and his signed acknowledgement, to wit, "I realize that this election revokes and cancels all prior elections I may have made." *See attached, _____'s May 4, 1995 Benefit Election Form.*

- ✓ ◦ Did _____ file any prior Benefit Election Forms with the Plan? If so, when were they filed?
- ✓ ◦ What steps must a member take to change a prior benefit election?
- ✓ ◦ What is the 90-day benefit election period? When does it start? Does the period end upon the filing of the election or the 90-day period?
- ✓ ◦ Does the Plan allow a member to change any benefit selections during the 90-day election period between the filing of an application and the benefit effective date?
- ✓ ◦ At what point is a member no longer allowed to file a Benefit Election Form, changing a prior benefit election?
- ✓ ◦ Why did the Plan allow _____ to file a May 4, 1995 Benefit Election Form, ten months after the July 1, 1994 benefit effective date?
- ✓ ◦ How does the Plan process a benefit application once it is filed, and how long does it ordinarily take from the date an application is filed to the time when payment is first issued?

Does the Plan make any inquiry into a member's marital status prior to processing a retirement benefit application? How is that inquiry performed?

How does the Plan verify a member's marital status when an Application for Benefits is filed?

What steps, if any, did the Plan take to verify _____'s marital status between his July 1, 1994 pension effective date, and his May 4, 1995 Benefit Election Form filing? If no steps were taken, why not?

When did the Plan first become aware of _____'s August 24, 1994 marriage to Jean _____? How did it become aware of their marriage?

Why didn't the Plan require that Jean _____'s consent to _____'s Single Life Benefit selection be notarized, or signed in front of a Plan official in its Administrative Office, as required by the Summary Plan Description, when _____ filed his May 4, 1995 Benefit Election Form, long after his August 24, 1994 date of marriage?

At what point does the Plan consider a benefit election irrevocable?

Does the Plan restrict a member's benefit election changes between the Pension Effective Date and the Application Receipt Date?

Does the Plan ordinarily require spousal notification, or an acknowledgment by a member's spouse when the retiring spouse makes a "Life-Only Pension" selection?

Did _____'s May 4, 1995 Benefit Election Form indicate his current marital status?

Why did the Plan send _____ the May 4, 1995 Benefit Election Form, if the Plan does not allow subsequent changes after the pension effective date?

- Since [redacted] married Jean [redacted] during the 90-day Election Period following his July 1, 1994 pension benefit effective date, why did the Plan accept his Life-Only benefit selection, and not require her consent in writing before the election became irrevocable?
- Why does the Plan's Benefit Election Form contain such an acknowledgement once a member is in payment status?
- Why did the Plan accept [redacted]'s May 4, 1995 Benefit Election Form with the July 1, 1994 effective date if the Summary Plan Description only authorizes two (2) months of retroactive benefit payments?

Has the Plan ever had a married member submit a Single-Life benefit option application without getting a signed acknowledgement from the member's spouse? How did the Plan handle that situation?

Has the Plan ever subsequently amended a married member's Single-Life Benefit option selection, after the application has been processed and in payment status, upon discovery of the member's marital status, and there was no signed spousal acknowledgement when the benefit commenced?

If there are circumstances where prior elections may be revoked after a member is in payment status, what are those circumstances, and what provisions in the Plan Document authorize such revocations or amendments to a member's prior benefit elections?

Please explain how the Plan paid [redacted] a Life-Only benefit when section 10.4 in the Plan Document indicates that it is payable "when the member does not have a spouse and does not elect a Benefit Adjustment Option; or the Plan member elects a Life Only Pension with the consent of his Spouse (where required);" neither of which conditions were true as of [redacted]'s August 24, 1994 marriage, and prior to the Plan initiating [redacted]'s benefit payments pursuant to his February 13, 1995 Benefit Application.

- Please explain why the Plan does not consider Jean [redacted] as qualifying surviving spouse pursuant to Article 17.6 in the Plan Document, when she was married to [redacted] when he filed his benefit election form, but never filed her consent to [redacted]'s selection; her consent was not notarized or

witnessed; and was not in writing on a form prescribed by the Plan's Administrative Manager.

Please explain how and when the Plan determined that Jean did not qualify for a surviving spouse benefit, after she had provided the Plan with proof of her marital status prior to s filing his February 13, 1995 benefit application receipt date, and her denial of ever having signed a spousal consent to Single Life Only Benefit Application.

DOCUMENT REQUESTS

Lastly, in my review of the file I did not see any formal notice to Ms. of her right to appeal the denial of her request for benefits from her late husband's Plan account, as required under ERISA. Please send a copy of any notice(s) that the Plan sent Ms. informing her of her right to file an appeal. I also request that you provide a copy of Raymond s complete Western Conference of Teamsters Pension Plan account file; and any internal claim processing rules.

Raymond s Western Conference of Teamsters Pension Trust, Inc., Retirement Plan personal information is as follows:

Name

SSN:

Date of Birth: November 26, 1938

Date of Death: February 25, 2019

Jean personal information is as follows:

Name: Jean

SSN:

Date of Birth:

Current Address:

This request is made pursuant to the provisions in the Employees Retirement Income Security Act of 1974 ("ERISA") 29 U.S.C. Section 1001 et. seq. ERISA typically requires a response within thirty (30) days.

Marriage Certificate

Clark County, Nevada

No. C 558614

This is to Certify that the undersigned did on the 24th day of August, 1974
Silver Bell Wedding Chapel, Las Vegas

at _____, Nevada, join in lawful wedlock
Address or Church City

RAYMOND

and

of
City

SANTA CLARITA, CALIFORNIA

State

JEAN

of
City

TIMBER LAKE, SOUTH DAKOTA

State

with their mutual consent, in the presence of Bret Flores

Type or Print Name of Witness

Rev. George L. Cotton

Type or Print Official's Name & Title

Pentecostal Temple

Type or Print Church or Affiliation

624 Santee Cir., LV. NV 89110

Type or Print Address of Official

Type or Print City, State, Zip

[Signature]
Signature of Official

ORIGINAL: TO BE GIVEN TO THE PARTIES MARRIED

EXHIBIT "B"

**WESTERN CONFERENCE OF TEAMSTERS PENSION TRUST
BENEFIT ELECTION FORM**

**RECEIVED
MAY 08 1995**

Participant's Name (First) RAYMOND	(M.I.) L	8
Application Receipt Date: 02/13/95	Pension Effective Date: 07/01/94	Statement Date: 04/24/1995

Please read carefully all the information included in your retirement packet before making your election below. You must check one box in either Column 1 or Column 2 and sign your name below.

BENEFIT PAYMENT OPTIONS	CHECK ONLY ONE BOX	
	COLUMN 1	COLUMN 2
	The Benefit Payments Below <u>Have Been</u> Reduced To Provide An Optional Lump Sum Death Benefit Of <u>\$5,346.00</u> .	The Benefit Payments Below <u>Have Not</u> Been Reduced. You May Be Eligible For A Basic Lump Sum Death Benefit Of <u>N/A</u> .
LIFE ONLY PENSION		
MONTHLY BENEFIT FOR YOUR LIFETIME ONLY	D1 <input type="checkbox"/> \$445.50	D2 <input checked="" type="checkbox"/> \$459.00
4 YEAR CERTAIN DEATH BENEFIT *	\$21,384.00 *	\$22,032.00 *
LIFE ONLY PENSION WITH BENEFIT ADJUSTMENT OPTION		
MONTHLY BENEFIT TO AGE 62	E1 <input type="checkbox"/> \$584.00	E2 <input type="checkbox"/> \$597.50
MONTHLY BENEFIT AFTER AGE 62	\$344.00	\$357.50
4 YEAR CERTAIN DEATH BENEFIT *	\$21,384.00 *	\$22,032.00 *
LIFE ONLY PENSION WITH BENEFIT ADJUSTMENT OPTION		
MONTHLY BENEFIT TO AGE 65	F1 <input type="checkbox"/> \$575.00	F2 <input type="checkbox"/> \$588.50
MONTHLY BENEFIT AFTER AGE 65	\$275.00	\$288.50
4 YEAR CERTAIN DEATH BENEFIT *	\$21,384.00 *	\$22,032.00 *

*If you elect any of the Life Only Pension payment options and die before receiving approximately 4 years of benefit payments, this Death Benefit may be payable to your beneficiary. The actual Death Benefit will be based on the amount shown and reduced by the benefit payments you were entitled to receive before your death.

I hereby request that my benefit be paid as I have indicated above (check only one box) and that my Pension Effective Date be as shown above. I realize that this election revokes and cancels all prior elections I may have made.

Participant's Signature Raymond

Date 5-4-95

EXHIBIT



Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955

Northern California Administrative Office
1000 Marina Boulevard, Suite 400
Brisbane, CA 94005-1841
(800) 845-4162
www.wctpension.org

October 26, 2023

David A. Bonello, Esquire
1265 Grey Fox Rd Suite 2
Arden Hills, MN 55112

RE: Benefit Appeal
Raymond SSN:

Dear Mr. Bonello:

This is to acknowledge receipt of your letter on September 26, 2023, appealing the decision of the Area Administrative Office regarding Jean ; eligibility for benefits under the Western Conference of Teamsters Pension Plan. Your appeal will be decided by the Benefits Review Committee of the Board of Trustees. The following is an explanation of the Plan provisions related to your request.

According to Trust records, the Administrative Office received Mr. application for a disability retirement benefit on February 13, 1995. On his application, Mr. stated he was married to Jean on August 24, 1994. Also received was Mr. s Social Security Administration Notice of Award, which stated that he was entitled to monthly disability benefits beginning July 1994. Because Mr. met the Plan's requirements for a disability retirement benefit, the Administrative Office determined that he was eligible for a retroactive disability retirement benefit effective July 1, 1994.

Article 9.2 (Disability Pension Effective Date) of the Plan Document as constituted on April 12, 1994 ("the 1994 Plan"), states, in relevant part:

The date on which a Plan Member's Disability Retirement Benefit becomes payable is called his Disability Pension Effective Date. A Plan Member's application for a Disability Retirement Benefit constitutes his election that his Disability Retirement Pension Effective Date will be the first day of the month that begins on or immediately following the date the Plan Member first meets all other eligibility conditions for the Benefit. No other date can be elected.

* * * *

Article 10.11 (Plan Member's Spouse) of the 1994 Plan, states, in part,

*A Plan Member's Spouse is the person to whom the Plan Member is married on his Pension Effective Date. * * * **

Article 10.10 (Spousal Consent Requirements), of the 1994 Plan, states,

*If a Plan Member who has a Spouse on his Pension Effective Date elects a form of Pension other than the Employee and Spouse Pension or the Spouse Pension with Benefit Adjustment Option, his election will not be effective without his Spouse's consent. * * * **

Please be advised, Article 10.10, Article 10.11, and 17.6 of the Plan were amended in October 2005 to require, as applicable, spousal consent if the participant gets married after the elected pension effective date and stays married through the date of the initial retirement benefit payment to the participant. However, prior to those amendments, under the terms of the Plan, spousal consent was only required if the participant was married on the elected pension effective date. Because Jean was not Raymond's spouse on his July 1, 1994 disability pension effective date, Jean's consent was not required for Raymond's election. Therefore, there are no death benefits payable to Jean as a result of Raymond's death.

The Benefits Review Committee meets once each quarter. Your appeal is currently scheduled for consideration by the Committee at its March 2024 meeting. You will be notified of the Committee's decision shortly after the March meeting, unless the Committee determines that it needs additional time to decide your claim. If so, the Committee will notify you that it needs additional time and when it expects to make a decision.

We are now in the process of preparing your written appeal for presentation to the Committee. If we need more information from you concerning your appeal, we will notify you. If you have additional information that you want the Committee to consider, we must receive it no later than December 15, 2023. If you need more time to gather this information, you may request that the Committee postpone consideration of your appeal to a later meeting. We must receive your request for postponement on the enclosed form no later than December 15, 2023.

David Reise is the Field Representative assigned to your appeal case. If you have any questions, please contact David at :

Sincerely,



Kate Eggers
Appeals Coordinator



September 22, 2023

Board of Trustees
Western Conference of Teamsters
Pension Plan
2323 Eastlake Avenue, East
Seattle, WA. 98102-3393

Via Fax: 206-726-3229

RE: Appeal of Jean

To the Board of Trustees of the *Western Conference of Teamsters Pension Plan*:

Jean , by and through her attorney David A. Bonello, Esq. and Trellis Pension and Retirement Rights ("TPRR"), and pursuant to Section 503 of the *Employee Retirement Income Security Act* ("ERISA") and applicable Department of Labor Regulations, does hereby submit this **Appeal** of a previously denied Claim for Benefits from the *Western Conference of Teamsters Pension Plan*. For the reasons set-forth below (as well as the reasons and arguments set-forth in the initial Claim for benefits) Jean hereby requests a surviving spouse pension benefit from the *Western Conference of Teamsters Pension Plan*.

Procedural History

Jean filed an initial Claim for Benefits on June 7, 2023. By correspondence dated July 25, 2023, the *Western Conference of Teamsters Pension Plan* denied Jean Claim. (See Exhibit "A"). Jean now submits this **Appeal** on the denial of her Claim for Benefits.

Factual Background

Jean (hereinafter "Jean") is the surviving spouse of Raymond (hereinafter, "Raymond"). Raymond retired with a *Disability* retirement benefit effective July 1, 1994 – at the age of 55.¹

¹ Raymond s date of birth is 11/26/1938.

On August 24, 1994, Raymond legally married Jean (See Exhibit "B"). On or about February 13, 1995, Raymond filed an application with the *Western Conference of Teamsters Pension Plan* (hereinafter, the "Plan") to *convert* his Disability Pension Benefit into an Early Retirement Benefit. Raymond signed and submitted a "Benefit Election Form" to the Plan on May 4, 1995 – selecting a Single Life Form of Pension Benefit. (See Exhibit "C").

On or about June 1, 1995 the Plan began paying a Single-Life Benefit to Raymond. The Plan continued to pay this Single-Life annuity each month for approximately 24 years, until Raymond deceased on February 23, 2019.

ARGUMENT

I. The Plan Violated its Own Plan Document and Rules by Permitting Raymond Tehle to Elect a Life-Only Pension Benefit Despite the Fact That He Was Married to Jean Tehle

At the time the Plan converted Raymond's *Disability* pension benefit into an *Early Retirement* Benefit – and Raymond completed and submitted the Benefit Election Form (dated May 4, 1995) - Raymond was legally married to Jean. As a result, the Plan was required to pay Raymond's pension benefit -as of May 4, 1995 - in the form of an *Employee and Spouse Pension*. The Plan failed to act under the "Prudent Person" standard in failing to sufficiently inquire regarding Raymond's marital status. More importantly, in failing to do so, the Plan violated its own terms and conditions governing the payment of Raymond's pension benefit.

Section 10.2 of the Plan Document (*Choosing a Form of Pension*) – provides as follows:

*If more than one (1) form of Pension is available to a Plan Member, he must elect the form of Pension he will receive, subject to **Spousal Consent** requirements of Article 10.9 – where applicable. If an election (and any required Spousal Consent) is not received by the Trustees within a reasonable amount of time after the Plan Member is provided information about the forms of Pension available to him, the Plan Member will be assigned the following forms of Pension:*

- *If the Plan Member does not have a Spouse on his Pension Effective Date, he will be assigned the Life-Only Pension;*
- *If the Plan Member does have a Spouse on his Pension Effective Date, he will be assigned the Employee and Spouse Pension. (Emphasis added)*

Raymond had a spouse – Jean - when he converted his *Disability* Retirement Benefit to an *Early Retirement* Benefit – with a Pension Effective Date of May 4, 1995.

Section 8.4 of the Plan Document (*Change of Pension Effective Date*) specifically allows a Plan Member to elect his Pension Effective Date (whether elected by him or

assigned to him) as *often as he wants* during his election period – (pursuant to Article 15.5) *provided that* his election of a new Pension Effective Date meets all the conditions applicable to the initial election of a “Pension Effective Date”.

The Plan document at Section 8.3 (*Election of a Pension Effective Date*) states that a Participant who applies for an Age Retirement Benefit² must elect a “Pension Effective Date”. That Date must meet the following conditions:

- The date cannot be more than 90 days after the date the Participant makes the election;
- The date cannot be more than three months before the date the Trustees received his election.

In allowing Raymond to convert his *Disability Pension* to an *Age Retirement Pension* – effective May 4, 1995 - the Plan violated the above-two conditions.

Raymond initially retired on a Disability Retirement effective July 1, 1994. He then re-elected an Age Retirement pension - effective May 4, 1995.

The Plan, however, maintains that Raymond's “Pension Effective Date” remained July 1, 1994. The problem with this interpretation is that May 4, 1995 (the date of the re-election) is *more than* 90 days after July 1, 1994. Yet the Plan Document provides that the “Pension Effective Date” cannot be more than 90 days after the date the Participant makes the election.

In addition, July 1, 1994 – the date the Plan argues is Raymond's Pension Effective Date – is more than 3 months *before* May 4, 1995 – the date Raymond re-elected his benefit – electing a Life-Only Benefit.

The Plan provided Raymond with an Application to *convert* his Disability Pension to another optional form of payment on or about February 13, 1995. The date Raymond made his re-election – May 4, 1995 – *does* comply with the Plan Document language cited above - because February 13, 1995 *is* within the three months before the Trustees received his election on May 4, 1995. In addition, May 4, 1995 is *not* more than 90-days *after* February 13, 1995 - the date that Raymond elected his new form of pension – an Early Retirement Pension.

Section 10.9 of the Plan Document (*Changing the Form of Pension*) – provides that a Plan member may elect to *change* his form of Pension (whether elected by him or assigned to him) as often as he wants during his election period under Article 15.5 – *provided*:

- His election complies with the general election procedures in Article 15.7;
- **The Spousal consent requirements of Article 10.10 are met;**

² Raymond elected an “Early Retirement” – which is considered an “Age Retirement Pension” form of benefit.

(Emphasis added)

Section 10.10 of the Plan Document (*Spousal Consent Rules*) states (in pertinent part):

*If a Plan Member who has a Spouse on his Pension Effective Date elects a form of Pension other than the "Employee and Spouse Pension". . . . his election will not be effective without his Spouse's consent. If the Plan Member elects to change his form of Pension to something other than the "Employee and Spouse Pension" . . . his election will not be effective **without** his Spouse's consent.*

(Emphasis added)

The Plan failed to enforce this provision of the Plan when it impermissibly allowed Raymond to elect the "Life-Only" benefit on or about May 4, 1995.

The Plan Document at Section 11.4 (*After Retirement Spouse Lifetime Pension*) provides that the *After Retirement Spouse Lifetime Pension* is payable to the Spouse of a deceased Pensioner if all of the following conditions apply:

- The Pensioner dies on or after his Pension Effective Date;
- The Spouse survives the Pensioner;

In this case, Pensioner Raymond died *after* his "Pension Effective Date"³. Jean, his legal spouse – survived Pensioner Raymond.

The *After Retirement Spouse Lifetime Pension* is payable from the beginning of the month following the Pensioner's death and provides monthly payments for the life of the Pensioner's Spouse.

The Plan Document – at Section 15.7 (*General Election Procedures*) – states that any required or permitted election, or Spousal consent to an election, and any required or permitted *change* or revocation of any election or Spousal consent to an election, is null and void and of no effect for any purpose *unless*:

- It is in writing and submitted on the form prescribed by the Administrative Manager;
- It is made during the applicable election period and received by the Trustees before the end of the application election period;
- It complies with the specific Plan requirements governing the making of the election, consent, change, or revocation.

The Plan violated this section by failing to obtain the spousal consent of Raymond's legal spouse – Jean – at the time this benefit change was instigated.

³ Raymod Tehle deceased on 2/23/2019.

Furthermore, the Plan provisions clearly provide that - *if* a Plan Member who has a Spouse on his Pension Effective Date fails to designate a Beneficiary before the end of his election period under Article 15.5 - then the Plan Member will be treated as having designated his Spouse as his Beneficiary, provided the Spouse survives the Plan Member and subject to the right of the Plan Member to designate another person or persons as his Beneficiary.

Section 17.4 of the Plan Document clearly stipulates that If a Plan Member has a Spouse on his Pension Effective Date - and that date is after 1991 - then any designation of a Beneficiary, and any change or revocation of a Beneficiary Designation, will not be effective without the Spouse's Consent.

Under the Plan rules set-forth in Section 17.4, in order to be effective, the Spouse's Consent must meet all of the following requirements:

- The consent must acknowledge the specific non-spouse Beneficiary, including any class of Beneficiaries or contingent Beneficiaries;
- The consent must be witnessed by an authorized employee of a Trust Administrative Office or by a Notary Public;
- The consent must be in writing on the form prescribed by the Administrative Manager;
- The consent must not be received by the Trustees before the beginning of the Plan Member's election period under Article 15.5.

A review of the "Benefit Election Form" (Exhibit "C") demonstrates that the Plan violated Section 17.4 of their legal Plan Document. The "Benefit Election Form" provided by the Plan to Raymond and signed by Raymond on May 4, 1995 – *after* his legal marriage to Jean – does not contain Jean's signature. The Form also does not "acknowledge the specific non-spouse Beneficiary, including any class of Beneficiaries or contingent Beneficiaries"; and clearly was *not* witnessed by either an authorized Plan Administrative or by a Notary.

Section 17.7 of the Plan Document – (*Marital Status*) – provides that the Trustees of the Plan will recognize as a marriage either a marriage that is recognized as a valid legal marriage under the law of the state or other jurisdiction where the marriage took place, or a marriage that is deemed a valid marriage. A review of the *Marriage Certificate* (Exhibit "B") demonstrates that – under the terms of the Plan – Raymond and Jean were considered married in compliance with Section 17.7.

II. The Plan Violated ERISA Federal Law by Failing to Obtain Jean 's Consent to Raymond's Change of the Form of Benefit

The *Western Conference of Teamsters Pension Trust* is a private, multiemployer defined benefit pension plan. As such, its operation is governed by the *Employee Retirement Income Security Act* ("ERISA"). The Plan failed to comply with ERISA and thereby breached its fiduciary duty to Jean Tehle (as beneficiary) by permitting her husband Raymond to elect a Life-Only form of pension benefit, despite the fact that Raymond was legally married to Jean at the time of this election.

The disability benefit which Raymond began to receive effective July 1, 1994 was an *auxiliary* disability benefit. Under ERISA Section 205(h)(2)(B) and Code Section 417(f)(2)(B) - if a disability benefit paid under the Plan is an *auxiliary* disability benefit, then the "Annuity Starting Date" - based on which the Plan's "applicable election period" may be measured - is *not* the first day of the period that a disability benefit is received - as the Plan in this case seems to argue.

Rather, the "Annuity Starting Date" when the disability benefit is an *auxiliary* disability benefit is based on the Plan's retirement benefit - *not* taking into account the disability benefit (e.g., the "Annuity Starting Date" would be the first day of the first period for which an amount is payable as an annuity under the Plan).

In this case, the disability benefits Raymond received were auxiliary disability benefits, and therefore, those benefits Raymond received effective July 1, 1994 did not have to be paid in the form of a Qualified Joint & Survivor. Here, the Plan provides that a participant is entitled to an Age Retirement Pension when the participant reaches age 65, or an Early Retirement Benefit at age 55. Because the disability benefit here is an auxiliary disability benefit, then Jean (as the surviving spouse) is entitled to a Qualified Joint & Survivor benefit. The Plan must pay Jean an ongoing surviving spouse benefit.

Section 9.2 of the Plan Document (*Disability Pension Effective Date*) provides that the date on which a Plan Member's *Disability Retirement Benefit* becomes payable on his *Disability Retirement Date* - not his "Annuity Starting Date". A Plan Member's application for a *Disability Retirement Date* constitutes his election that his *Disability Pension Effective Date* will be the first of the month that begins or immediately follows the date the Plan Member first meets all eligibility conditions for a Disability Benefit. No other date can be elected. (See Section 9.2).

The Plan Document specifically differentiates a Plan Member's *Disability Retirement Date* from the Member's *Annuity Starting Date*. Section 9.2 of the Plan Document provides that - If a Plan Member's application for a *Disability Retirement Benefit* is made more than 90 days before his *Pension Effective Date*, said Member must furnish to the Trustees during his election period written confirmation of that *Pension Effective Date*.

Here, Raymond's *Disability Pension Effective Date* of July 1, 1994 was made more than 90-days before his May 4, 1995 *Pension Effective Date*. And accordingly, Raymond provided to the Trustees during his election period written confirmation of a *Pension Effective Date* of May 4, 1995. (See Exhibit "C").

Therefore, under the terms of the Plan, if a Plan Member receives a Disability Retirement benefit – and *that* date is considered under the Plan to be the Member's "Annuity Starting Date" – then the Plan would have stated so. The fact that the Plan Document differentiates between *Disability Pension Effective Date* and *Annuity Starting Date* denotes that the Plan considers these two dates to be separate and distinct.

Pursuant to the rules of the Plan at Section 11.3 (*Election of Spouse Pension Effective Date*), the surviving spouse of a Vested Participant will be assigned a Spouse Pension Effective Date in either of the following circumstances:

- The Participant dies on or after his Normal Retirement Date; or
- The Surviving Spouse fails to make a proper election of a Spouse Pension Effective Date within a reasonable time after her application is received by the Trustees.

The assigned date will be the first day of the month that begins on or immediately following the later of:

- The Participant's Normal Retirement Date; or
- The day after the Participant's death.

Here, Jean (the surviving spouse) attempted to make an election - after Participant' Raymond's Normal Retirement Date; and after the date of Raymond's death. However, the Plan erroneously informed Jean that she was not entitled to the surviving spouse benefit.

ERISA was amended in 1984, when the Congress of the United States enacted the *Retirement Equity Act* ("REA") amending ERISA to require that - for married participants in a pension plan - a qualified joint and survivor annuity must be provided to the surviving spouse of a participant of an employee benefit plan, *unless* the surviving spouse has waived her rights to benefit plan proceeds and consented to the participant's election of an alternative benefit form. [29 U.S.C. § 1055(c)(2)].

In other words, unless a participant properly and legally waives the requirement, ERISA requires plan participants to take retirement benefits as a joint and survivor annuity, which pays benefits to the participant for life and then to the participant's surviving spouse for life, rather than as a single life annuity, which pays greater sums than does a joint and survivor annuity but pays during the participant's life only. [See 29 U.S.C. §1055(a) (1), (c) (1)(A) (i) & (c)(7)(A)]. Since Raymond was married at the time he

applied for his pension, he should have been required to take a joint and survivor annuity *unless* he obtained a valid waiver from his wife Jean. Jean, however, never consented to the waiver of the joint and survivor annuity.

Courts have uniformly held that the clear intent of Congress in passing the *Retirement Equity Act of 1984* was to preserve and protect spouses' interests in participants' benefits; namely, to ensure that individuals whose participant-spouses die would nevertheless receive the spouses' pension benefits. Congress intended to ensure a stream of income to surviving spouses once the participant passed away. [See *Lester v. Reagan Equipment Company Profit Sharing Plan & Employee Savings Plan*, No. Civ. A. No. 91-2946, 1992 WL 211611); *Lefkowitz v. Arcadia Trading Co. Ltd Benefit Pension Plan*, 996 F.2d 600, 601 (1993); and *Boggs v. Boggs*, 520 U.S. 833, 843 (1997)].

Congress was very concerned about surviving spouses. Indeed, it enacted 29 U.S.C. §1055 and ERISA Section 205(c)(6) as part of a bill that added strict spousal consent requirements for waivers of survivor benefits. The Court in *Hearn v. Western Conference of Teamsters Pension Trust Fund*, 68 F.3d. 301 (9th Cir. 1995) observed - in a Senate Report on the *Retirement Equity Act* - that "the (Senate) Committee believes that a spouse should be involved in making choices with respect to retirement income on which the spouse may also rely." *Id.*

ERISA accomplishes this purpose by establishing strict requirements that must be met to insure that the spouse consents to an act that may divest her of the right to receive benefits in the future. ERISA also charges plan fiduciaries with the highest of responsibilities, which are owed not only to plan participants, but also to their beneficiaries. [29 U.S.C. § 1104(a)(1); See also *Donovan v. Bierwirth*, 680 F.2d 263, 272)]. The purpose of the strict waiver provisions in ERISA was "to afford better protection to women dependent on their husbands' earnings and at the mercy of death or divorce." *Ablamas v. Roper*, 937 F.2d 1450 (10th Cir. 1991).

The formalities required for spousal waiver are included to protect against the risks of a spouse's unwitting waiver of those rights. Formalities are necessary to ensure a valid waiver of a spouse's retirement plan benefit and are consistent with the legislative policy of protecting spousal rights. [See *Lasche v. George W. Lasche Basic Profit-Sharing Plan* 111 F.3d 863, 867 (11th Cir. 1997)]. The formalities are, therefore, to be **strictly enforced**. [See *Hagwood v. Newton*, 282 F.3d 285, 290 (4th Cir. 2002) {*Emphasis added*}].

The court in *Rice v. Rochester Laborers' Annuity Fund*, 888 F. Supp. 494 noted, therefore, that it is up to the Pension Plan to take whatever steps are necessary to insure that a spouse's survivorship rights are protected in all respects. The *Western Conference of Teamsters Pension Trust* failed in its duty to protect the spousal survivorship rights of Jean Tehle, the surviving spouse.

A. Standard for Valid Waiver of Spousal Rights

The Senate Report referenced above (No. 99-313) provides that the spousal consent form is to contain such information as may be appropriate to disclose to the spouse the rights that may be relinquished. Therefore, under ERISA §205(c)(2), a waiver of a qualified joint and survivor annuity and consent to the participant's election will be effective only if:

- (i) The spouse of the participant consents in writing to such election;
- (ii) Such election designates a beneficiary (or form of benefits) which may not be changed without spousal consent; and
- (iii) The spouse's consent acknowledges the effect of such election and is witnessed by a plan representative or a notary public.

[See also 29 §1055(c)(2)(A)]

It is clear from looking at the "Benefit Election Form" (Exhibit "C") completed and submitted by Raymond to the Plan - electing a Single-Life Only pension benefit - failed to meet these ERISA requirements set forth in 29 §1055(c)(2)(A).

First, Raymond's spouse – Jean – never signed the form; and nowhere does the form contain any information on Jean "acknowledging" the effect of any purported waiver. The Form is also *not* witnessed by a Plan representative, nor Notarized. This is a clear violation of Section 1055(c)(2)(A).

Part 4 of subtitle B of ERISA is entitled "Fiduciary Duties," and includes the standard of care for plan fiduciaries. [See 29 U.S.C. §1104]. This section states in relevant part:

- (a) *Prudent man standard of care. (1) Subject to section 403(c) and (d), 4042, and 4044 of this title, a fiduciary shall discharge his duties with respect to a plan solely in the interest of participants and beneficiaries and – (A) for the exclusive purpose of; (i) providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the plan; (B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. [See also Lester v. Reagan Equipment Company Profit Sharing Plan and Employee Savings Plan, 1992 WL]*

Here, the Plan failed to live-up to the "Prudent Man" standard mandated by ERISA, to protect the surviving spouse benefits of Jean . The Plan failed in discharging its duties *solely* in the interests of beneficiary Jean .

B. The Fund Failed to Comply with ERISA's "Prudent Man" Standard of Care

In this instance, the *Western Conference of Teamsters Pension Trust* - acting as a fiduciary - was required under ERISA to act in all cases to protect the interests of beneficiaries such as Jean. [See *Rice v. Rochester Laborers' Annuity Fund*, 888 F. Supp. 494; citing *John Blair Communications v. Telemundo Group*, 26 F.3d 360, 367 (1994)]. The fiduciary duty section of ERISA is a more stringent version of the prudent man standard than in the common law of trusts. [*Id.* at 499, citing *Reich v. Valley National Bank of Arizona*, 837 F. Supp. 1259, 1273 (1993)].

The court in *Lester V. Reagan Equipment Company*, (1992 WL 211611) also found the pension plan administrator failed to sufficiently exercise his fiduciary duties. In *Lester*, the plan participant submitted an application to receive his pension benefit in a single life lump-sum payment, despite the fact that the participant was still legally married. When the participant died three years later, the participant's widow brought suit under Section 502(a)(1)(B), 29 U.S.C. Section 1132(a)(1)(B) of ERISA, for her spousal survivor benefits.

The court found that the Plan did not take the appropriate actions - as a fiduciary is required to do - in determining whether or not the plan participant was married at the time he submitted his application.

ERISA contains strict rules for protecting the spouse's interest in the participant's benefits. The clear intent of Congress in passing the *Retirement Equity Act of 1984* was to preserve the benefits of spouses. Under ERISA, waiver of the qualified joint and survivor annuity, the standard form of payment from a defined benefit plan to a participant before death, is invalid unless it satisfies the rigorous rules in §1055(c). *Id.* at pp. 5-6.

In this case, there is no information or evidence in the record that any representative of the *Western Conference of Teamsters Pension Trust* ever inquired about Raymond's marital status when he elected a Single-Life Annuity. This fact in and of itself establishes that the Plan failed to comply with ERISA.

Under 26 U.S.C. Section 417(a)(2), a spouse's consent to waiver of a Qualified Joint and Survivor Annuity must acknowledge the effect of such election. In order to effectuate this understanding, the administrator of an ERISA Plan must provide participants with a written explanation regarding waiver of a Qualified Joint & Survivor Annuity that is in a manner calculated to be understood by the average participant. [See 26 C.F.R. Section 1.417(a)(3)-1 (a)(4)].

A review of the "Benefit Election Form" provided by the Plan (Exhibit "C"), completed and submitted to the Plan by Raymond, clearly demonstrates that the Plan in this instance did not comply with the mandatory provisions of 26 C.F.R. Section 1.417(a)(3)-1 (a)(4).

Moreover, ERISA was amended by the 1986 Tax Reform Act (TRA) to *require* spousal consent at *anytime* a participant elects to *change* the form of pension benefit.

Pursuant to ERISA Section 205(c)(1)(B) - {IRS Code Section 417(a)(1)(B)} - and ERISA Section 205(b)(1)(C)(i) - {IRS Code Section 401(a)(11)(B)(iii)(1)} – *as amended* – technical corrections to the *Retirement Equity Act* (REA) in the (TRA) clarify that the spousal consent requirement is applicable to the redesignation of a non-spousal beneficiary, or to a *change* in an election of a form of benefits.

To be effective, the spouse's consent must be in writing, must acknowledge the effect of the election {to waive the survivor's benefits}, and must be witnessed by either a notary public or a Plan representative [See Section 205(c)(2)(A) {IRS Code Section 417(a)(2)(A)}].

Conclusion

Raymond initially began to receive an auxiliary disability benefit from the Plan, effective July 1, 1994. As such, July 1, 1994 was *not* Raymond's "Annuity Starting Date". Rather, Raymond's "Annuity Starting Date" was May 4, 1995 – the date he *converted* his auxiliary pension benefit to an Early Retirement Benefit.

Jean was the married spouse of Raymond. Jean and Raymond were married when the Plan converted Raymond's disability benefit, and Raymond elected the Single Life-Only form of pension payment on May 4, 1995. As noted above, the 1986 Tax Reform Act (TRA) amending ERISA clarified that spousal consent is required at *anytime* a participant elects to *change* the form of pension benefit.

Raymond and Jean were legally married on August 24, 1994 – before Raymond converted his auxiliary pension benefit to an Early Retirement benefit on May 4, 1995. Raymond and Jean were married on May 4, 1995, and remained married for nearly twenty-five (25) years before Raymond's death. Jean and Raymond were still married when Raymond deceased on February 23, 2019. Jean never signed any form consenting to waive and relinquish her spousal survivorship rights to Raymond's pension benefits.

The Plan here failed to act in accordance with the "prudent man" standard embodied in 29 U.S.C. Section 1104, and in doing so, breached its fiduciary duty to Jean.

Accordingly, the Plan should immediately calculate and pay the surviving spouse benefits to which Jean is entitled to receive, pursuant to the terms and conditions of the *Western Conference of Teamsters Pension Trust* and mandated by federal law and ERISA.

Respectfully Submitted:

A handwritten signature in blue ink, appearing to read "D. A. Bonello", with a long, sweeping horizontal stroke extending to the right.

David A. Bonello, Esq.
Trellis Pension and Retirement Rights
Attorney for Jean
651-251-5766
dbonello@trellisconnects.org



Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955

Northwest Administrative Office
2323 Eastlake Avenue East
Seattle, WA 98102-3393
(800) 531-1489
www.wctpension.org

July 25, 2023

David A Bonello Esq
1265 Grey Fox Rd Suite 2
Arden Hills, MN 55112

Re: Surviving Spouse
Raymond Tehle SSN: XXX-XX-5472

Dear Mr. Bonello:

This office received your letter regarding Surviving Spouse benefits on behalf of Jean under the provisions of the Western Conference of Teamsters Pension Trust Fund on June 14, 2023. After a thorough review, we have determined that Jean Tehle is not eligible for Surviving Spouse benefits based on the following Plan rules:

Article 10.10 **Spousal Consent Requirements**, states in relevant parts, if a Plan Member who has a Spouse on his Pension Effective Date elects a form of Pension other than the Employee and Spouse Pension or the Employee and Spouse Pension with Benefit Adjustment Option, his election will not be effective without his Spouse's consent.

* * * *

Article 17.6, **Beneficiary**, states in relevant part, a Plan Member may make, change, or revoke a designation of a Beneficiary at any time. To be effective, the designation, change or revocation must be made in writing on the proper form and must be received by the Trustees before the death of the Plan Member.

If a Plan Member has a Spouse on his Pension Effective Date (see Article 10.10) and that date is after 1991, then any designation of a Beneficiary, and any change or revocation of a Beneficiary designation, will not be effective without the Spouse's consent.

* * * *

Article 17.7, **Marital Status**, states, in relevant part, the Plan requires a determination by the Trustees whether a Plan Member has a Spouse on his Pension Effective Date (Article 10.10) or whether the Plan Member has a Surviving Spouse on the date of his death (Articles 17.6)

* * * *

A copy of the Plan document is enclosed.

EXHIBIT "A"

Raymond retired with a disability retirement benefit effective July 1, 1994. Raymond married Jean on August 24, 1994. The current Plan rules (as of 10/11/2005) require a spouse to consent to a retro effective date that is before the date of marriage if there is a marriage before the claim is paid; however, based on the Plan in effect at this time of Mr. 's retirement, Jean would not have needed to consent to his election because they were not married on the effective date.

We believe that we have correctly determined your benefits under the Plan. However, if there are factual or legal arguments, which, in your opinion, will show that our decision is incorrect, you, or your duly authorized representative, may appeal in writing to the Benefits Review Committee for a review of our decision. NOTE: The Plan's appeal procedures do not permit personal appearances before the Committee.

Your written appeal must be filed with this Administrative Office within 60 days of the receipt of this letter (or 180 days from the receipt of this letter if your claim involved a determination regarding the Plan's disability absence hours rule or under the special recent coverage for disability rule). Your appeal should state as clearly and specifically as possible why you think the Administrative Office's decision is incorrect. The Administrative Office will give you, or your authorized representative the opportunity to submit written comments, documents, records and other information relevant to your claim. In addition, you or your authorized representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim (other than documents that are protected or privileged). Before acting on your appeal, the Committee may require you to submit, at your expense, additional information which it reasonably believes will help in deciding your case. The Committee's review will take into account all comments, documents, records and other information submitted by you or your authorized representative relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination. You may bring a civil action under section 502(a) of the Employee Retirement Income Security Act of 1974, as amended, following an adverse determination on appeal.

If you have any questions, please feel free to contact this office at 1 (800) 531-1489.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. Reise", written in a cursive style.

David Reise
Pension Representative

CC: Jean '

Marriage Certificate

Clark County, Nevada

No. C 558614

This is to Certify that the undersigned did on the 24th day of August, 1974
Silver Bell Wedding Chapel, Las Vegas

at _____, Nevada, join in lawful wedlock
Address or Church City

RAYMOND

and

of SANTA CLARITA, CALIFORNIA
City State

JEAN

of TIMBER LAKE, SOUTH DAKOTA
City State

with their mutual consent, in the presence of Bret Flores

Type or Print Name of Witness

Rev. George L. Cotton

Type or Print Official's Name & Title

Pentecostal Temple

Type or Print Church or Affiliation

624 Santee Cir., L.V., NV 89110

Type or Print Address of Official

Type or Print City, State, Zip

[Signature]
Signature of Official

ORIGINAL: TO BE GIVEN TO THE PARTIES MARRIED

EXHIBIT "B"

**WESTERN CONFERENCE OF TEAMSTERS PENSION TRUST
BENEFIT ELECTION FORM**

**RECEIVED
MAY 08 1995**

Participant's Name (First) RAYMOND	(M.I.)	(Last)	Social Security Number 502-34-5472
Application Receipt Date: 02/13/95	Pension Effective Date: 07/01/94	Statement Date: 04/24/1995	

Please read carefully all the information included in your retirement packet before making your election below. You must check one box in either Column 1 or Column 2 and sign your name below.

BENEFIT PAYMENT OPTIONS	CHECK ONLY ONE BOX	
	COLUMN 1	COLUMN 2
	The Benefit Payments Below Have Been Reduced To Provide An Optional Lump Sum Death Benefit Of \$5,346.00 .	The Benefit Payments Below Have Not Been Reduced. You May Be Eligible For A Basic Lump Sum Death Benefit Of N/A .

LIFE ONLY PENSION

MONTHLY BENEFIT FOR YOUR LIFETIME ONLY	D1 <input type="checkbox"/>	\$445.50	D2 <input checked="" type="checkbox"/>	\$459.00
4 YEAR CERTAIN DEATH BENEFIT *		\$21,384.00 *		\$22,032.00 *

LIFE ONLY PENSION WITH BENEFIT ADJUSTMENT OPTION

MONTHLY BENEFIT TO AGE 62	E1 <input type="checkbox"/>	\$584.00	E2 <input type="checkbox"/>	\$597.50
MONTHLY BENEFIT AFTER AGE 62		\$344.00		\$357.50
4 YEAR CERTAIN DEATH BENEFIT *		\$21,384.00 *		\$22,032.00 *

LIFE ONLY PENSION WITH BENEFIT ADJUSTMENT OPTION

MONTHLY BENEFIT TO AGE 65	F1 <input type="checkbox"/>	\$575.00	F2 <input type="checkbox"/>	\$588.50
MONTHLY BENEFIT AFTER AGE 65		\$275.00		\$288.50
4 YEAR CERTAIN DEATH BENEFIT *		\$21,384.00 *		\$22,032.00 *

*If you elect any of the Life Only Pension payment options and die before receiving approximately 4 years of benefit payments, this Death Benefit may be payable to your beneficiary. The actual Death Benefit will be based on the amount shown and reduced by the benefit payments you were entitled to receive before your death.

I hereby request that my benefit be paid as I have indicated above (check only one box) and that my Pension Effective Date be as shown above. I realize that this election revokes and cancels all prior elections I may have made.

Participant's Signature

Raymond

Date **5-4-95**

EXHIBIT