

District Court Rejects Participant's Attempt to Stop Plan From Recouping Overpayments

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In *Kanefsky v. Ford Motor Co. Gen. Ret. Plan*, No. 22-cv-2259, 10548 U.S. Dist. 2023 WL 186800 (E.D. Mich. Jan. 13, 2023), the court granted a motion to dismiss a pension plan participant's claim that the plan was equitably estopped from recouping overpaid plan benefits. Upon termination of his employment, the participant requested and received from the plan a disclosure estimating that his pension would be \$6,225.24 per month. Almost two years after the participant elected to begin collecting his pension at that disclosed amount, the plan informed him that his monthly benefit had been miscalculated, that he was only owed \$3,797.46 per month, and that the plan would recoup \$53,411.16 in overpaid benefits by reducing his future benefits. The participant filed suit after his administrative appeal was denied, arguing that the plan should be equitably estopped from reducing his benefit because he relied on the plan's benefit estimate when he decided to begin collecting his pension benefits. The district court held that the participant failed to plausibly allege that the plan intended for him to detrimentally rely on the estimate, and that therefore, he could not establish at least one of the elements of an equitable estoppel claim. The court distinguished *Paul v. Detroit Edison Co. & Michigan Consol. Gas Co. Pension Plan*, 642 F. App'x 588 (6th Cir. 2016), in which the Sixth Circuit upheld an equitable estoppel claim because there, the plan actively invited participants to retire early by offering incentives beyond their ordinary pension benefits. By contrast, the participant in *Kanefsky* was fully vested and had already ceased employment, and the plan did not reach out to him to encourage early retirement. Under these circumstances, the court held that the plan had nothing to gain by misrepresenting his pension amount and that the participant had not presented any other allegations that could plausibly be construed as establishing that the plan intended for the participant to act based on the benefit estimate he requested.

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