

News Release



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Labor Department To Recover \$80,000 for Retirees Of Niagara Falls Memorial Medical Center

NEW YORK--The U.S. Department of Labor has obtained a consent order restoring \$80,000 to reimburse the pension plan of Niagara Falls Memorial Medical Center in Niagara Falls, N.Y. The plan's administrator used the money to improperly pay legal fees after retirees sued the medical center over reduced lump sum benefits paid at retirement.

"This legal action sends a clear message that the department will vigorously enforce the law to protect employee retirement assets," said James Benages, director of the Boston regional office of the department's Employee Benefits Security Administration (EBSA).

The lawsuit, filed in federal district court in Buffalo, alleges that the medical center violated the Employee Retirement Income Security Act (ERISA) when it used plan assets in December 1997 to make payments in settlement of a lawsuit against the center and the plan. In the suit, the department took the position that the center should have paid its proportionate share of the legal fees rather than having the plan pay all of the fees.

Niagara Falls Memorial Medical Center sponsored the pension plan for 1,200 participants. The plan had \$11-12 million in assets, according to the latest financial information available to the department.

The Boston regional office of EBSA investigated the case. Employers and workers can reach the Boston office at (617) 565-9600 or through EBSA's toll-free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector retirement and health plans.

In 2003, EBSA achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families.

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(Chao v. Niagara Falls Memorial Medical Center)
Civil Action No. 04-CIV-80, WDNY