

Worker Laid off before Age 65 Not Entitled to Post Retirement Benefits



Worker laid off before age 65 claimed entitlement to post retirement benefits as a vested member of the plan, but the employer claimed he wasn't eligible because he wasn't 65 yet when his employment terminated. The union sought specific relief for that worker and a declaration with regard to rights to post retirement benefits for other vested pension plan members. The employer argued the post retirement benefits weren't included in the handbook or current collective agreement. When that new agreement had been negotiated current members were allowed to elect to retain eligibility for post retirement benefits or opt out and participate in the RRSP plan. The post retirement benefit plan was incorporated by reference in the agreement and the post retirement benefits were otherwise touted as an incentive to retain workers so the arbitrator said it would be unfair to represent to employees they would have post retirement benefits available and then deny those benefits. So the company was stopped from denying the benefits generally. However, eligibility requirements mandated an employee be 65 and the worker in this case wasn't yet 65 when his employment terminated. The company was obligated to continue the post retirement benefit plan for those who were already in the plan and met eligibility requirements. Separate cases in which the company gratuitously agreed to extend a terminated employee's employment to age 65 to make the employee eligible were permissible and only served to reinforce that the requirement was indeed age 65. Thus, the arbitrator dismissed the grievance with regard to the laid off worker.