

Source: Pension & Benefits Daily: News Archive > 2017 > February > 02/14/2017 > Legal News > Retiree Benefits: Century Aluminum Inks \$23M Deal With W.Va. Retirees

Retiree Benefits

Century Aluminum Inks \$23M Deal With W.Va. Retirees



By Jacklyn Wille

Century Aluminum of West Virginia Inc. agreed to pay \$23 million into a trust fund providing health benefits for retirees of its Ravenswood, W.Va., plant, ending a seven-year legal battle (*Dewhurst v. Century Aluminum Co.*, S.D. W.Va., No. 2:09-cv-01546, *motion for preliminary settlement approval filed 2/9/17*).

The lawsuit challenged Century Aluminum's 2009 decision to eliminate or severely reduce the health benefits of retirees at the plant. In 2015, a federal judge found that the benefit cuts didn't violate the collective bargaining agreements between Century and the United Steelworkers.

The deal, announced Feb. 9 and subject to approval by the U.S. District Court for the Southern District of West Virginia, requires Century to contribute \$23 million over 10 years to a voluntary employees' beneficiary association that will be dedicated to reimbursing retirees' past medical expenses and assisting with future costs. Nearly 800 Century retirees, spouses and surviving spouses will benefit from the deal, according to a statement by the USW.

The retirees are represented by Pyles Haviland Turner & Smith, Feinstein Doyle Payne & Kravec and the USW. Jones Day and Bowles Rice McDavid Graff & Love represent Century Aluminum.

Retiree Health Litigation

Several major companies have faced recent lawsuits over retiree health benefit cuts, with judges giving wins to companies including BorgWarner Inc., Weyerhaeuser Co. and Johnson Controls Inc. FreightCar America Inc. and Kelsey-Hayes Co. have been less successful in defending their benefit cuts.

In particular, Honeywell International Inc. has faced a flurry of litigation over its attempt to cut lifetime health benefits for its retirees starting in 2017. A federal judge in Ohio upheld the cuts for retirees at a Honeywell plant in Fostoria, Ohio, while a different federal judge allowed retirees from a Greenville, Ohio, plant to move forward with their lawsuit against the company. Federal judges in Connecticut and Michigan have largely disapproved of Honeywell's benefit cuts.

To contact the reporter on this story: Jacklyn Wille in Washington at jwille@bna.com

To contact the editor responsible for this story: Jo-el J. Meyer at jmeyer@bna.com

For More Information

Text of the motion for settlement approval is at http://www.bloomberglaw.com/public/document/Dewhurst_et_al_v_Century_Aluminum_Company_et_al_Docket_No_209cv01/4.

Snapshot

- Century Aluminum agrees to pay \$23 million toward retiree health benefits
- Agreement resolves seven years of litigation over benefit cuts for West Virginia retirees

Contact us at <https://www.bna.com/contact-us> or call 1-800-372-1033

ISSN 1523-5718

Copyright © 2017, The Bureau of National Affairs, Inc.. Reproduction or redistribution, in whole or in part, and in any form, without express written permission, is prohibited except as permitted by the BNA Copyright Policy.