Angst Over Supreme Court's Re-Opening of Xerox Pension Case

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Peter K. Stris of Stris & Maher LLP, the attorney who has represented most of the Xerox pensioners, objects to Xerox's continued efforts to seek a new decision allowing it to modify its pension payouts, charging that it could set a worrisome precedent for pension plan participants.

"Xerox wrongfully under-calculated the pensions of hundreds of individuals," noted Stris in a press release. "About that there is no dispute. The fight is over the remedy. Xerox argues that it should decide how much money the plaintiffs get, and that its determination must receive deference from the courts."

"There is no language in ERISA that supports Xerox-which is not surprising. The explicit purpose of the law is to protect pensioners. Xerox's argument has no natural end: employers with vast resources could insist on endless attempts to re-calculate pensions," the release said.

"And because ERISA does not permit the recovery of punitive damages, these employers could effectively tie up retirees everywhere in litigation forever," the statement continued. "This litigation, which has continued for a decade, illustrates the very point. If the Supreme Court accepts the position urged by Xerox, no one's pension will be safe."

The Supreme Court will hear arguments in December or January.

An action against Xerox was filed in 1999 on behalf of former employees seeking to protect their pension payouts. Xerox, whose name remains a synonym for "photocopy," faced dire financial troubles in 1999 and 2000, when it was beset by layoffs, a falling stock price, and near-bankruptcy.

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