

News

BCCA Decision Affirms Clear Language Needed to Reserve Right to Change Retiree Benefits

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A recent decision of the British Columbia Court of Appeal, [Lacey v. Weyerhaeuser](#), considered an employer's right to unilaterally change post-retirement benefits. Although the retiree benefits at issue in this case had been voluntarily instituted, it was found that the employer had represented that the retiree benefits would be maintained on and after retirement, and that these representations had been relied on by employees as they continued to work through to retirement. On this basis, the Court of Appeal held that the retiree benefits vested at retirement, and that the employer became contractually obligated to pay the benefits as promised. The employer had not clearly reserved a right to make changes to the retiree benefits once they vested, and so they could not be unilaterally altered by the employer after retirement. The Court noted, however, that the employer could have altered the terms of these retiree benefits during employment.

On November 21, 2013, the Supreme Court of Canada denied the employer's request for leave to appeal the Court of Appeal decision.

A discussion of this decision is found on our Case in Point blog post, "[Supreme Court of Canada Denies Leave to Appeal in Reduction of Retiree Benefits Case](#)."