

9th Circuit Court of Appeals Rules in Favor of Raytheon Retirees

Written by Websteward
Tuesday, 22 May 2012 22:41 -

Tucson, Arizona – May 22, 2012 - In an opinion released yesterday the 9th Circuit Court of Appeals re-affirmed the September 2010 ruling that states Raytheon retirees and their spouses have a vested right to no-cost health insurance until they reach age 65.

The Collective Bargaining Agreements (CBAs) between 1990 and 1999 provided the retirees' claim to company-paid medical benefits was a vested right. As a vested benefit, the Court ruled that Raytheon could not unilaterally take away that right, regardless of what the Company had written and included in plan documents.

The opinion by the 9th Circuit Court of Appeals written by Judge Berzon states “Raytheon expressly agreed to provide 100% company-paid healthcare coverage for eligible Retirees; that Raytheon’s obligation survived the expiration of the CBAs; and that Raytheon’s agreed-upon obligation could not be unilaterally abrogated by Raytheon.”

Class Action Member Ron Geuder states , “ I am grateful that the 9th Circuit ruled in favor of the retirees; It has been a long a time coming and justice has prevailed. I am also grateful for the Old Pueblo Lodge 933 and the Machinists International who stood by us so we could pursue and win this law suit. ”

Class Action Member Dave Lillie states, “This is a prime example on why workers should belong to a union. Without the Machinists Union, I am sure we would not have had this victory.”

Attorney Robert Gregory added, “The decision by the 9th Circuit is a real vindication of the retirees’ rights. The 9th Circuit’s opinion strongly supports the rights of union members to maintain the benefits they bargained for, long after the collective bargaining agreement has expired, when those benefits are vested. The 9th Circuit was clear in stating they the healthcare benefits provided for in the 1990, 1993, 1996 and 1999 CBAs had long since vested, and that retirees and their spouses were entitled to those benefits until age 65.”

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Directing Business Representative James Watson added, “This is a great day for Old Pueblo Lodge 933 and our membership. The 9th Circuit got it right, it’s sad that some of our retiree’s did not live to see this day. I am very grateful to Robert Gregory who represented our retirees and to Dave Lillie, Ron Geuder, Mark Argraves and Clare L’Armee who were the class action representatives for this case. ”

Western Region General Vice President Gary Allen applauded the ruling saying ; “It is sad to think that a Company can sign a contract with its employees, and have no intention of honoring their promise. These benefits were part of the overall compensation that the International Association of Machinists and Aerospace Workers (IAM) negotiated with the Raytheon Company, on behalf of these workers. There was no confusion as to what the language meant. I congratulate Brother Watson, and everyone involved, for staying in this fight and demanding the fairness that our retirees have earned. This is a wonderful example of why it pays to belong to the IAM – our contracts are the finest in the industry, and our representatives are supremely dedicated to enforcing our agreements”.

IAM, Old Pueblo Lodge 933 has represented the hourly workforce at Raytheon Missile Systems/Hughes Aircraft since 1952. The IAM was founded in 1888, and represents more than 700,000 active and retired workers in North America.

IAM Fights - and Wins - for Retirees

Wed. September 08, 2010

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Talent, tenacity, and being on the side of what is right and decent, still count for something in this country. Just ask the retirees from IAM Local 933 in Tucson, Arizona - who formerly worked for Raytheon Missile Systems.

In an opinion released yesterday, the 9th Circuit Court of Appeals, upheld the lower court's ruling that Raytheon retirees and their spouses have a vested right to no-cost health insurance until they reach age 65.

The ruling by the Ninth Circuit cited the collective bargaining agreements between 1990 and 1999 provided the retirees' claim to company-paid medical benefits was a vested right. As a vested benefit, the Court ruled that Raytheon could not unilaterally take away that right, regardless of what the company had written and included in plan documents.

Class Action Member Dave Lilly states , " It takes a great load off of our shoulder knowing that the 9th Circuit has ruled in favor of our retirees, we can finally start to enjoy our retirement without worrying about sky-rocketing medical costs and how we are going to pay for them."

Directing Business Representative James Watson added, "It has taken six long years to see this issue finally come to a positive ending. It's a tragedy that some retirees did not live long enough to see this decision, many more of our retirees and their families still are frustrated and disappointed that Raytheon did not honor their promise made to them when they retired."

GVP Allen applauded the ruling, saying "It is sad to think that a company can sign a contract with its' employees, and have no intention of honoring their promise. These benefits were part of the overall compensation that the IAM negotiated with the Raytheon Company, on behalf of these workers. There was no confusion as to what the language meant. I congratulate Brother Watson, and everyone involved, for staying in this fight and demanding the fairness that our retirees have earned. This is a wonderful example of why it pays to belong to the IAM – our contracts are the finest in the industry, and our representatives are supremely dedicated to enforcing our agreements."

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Major Victory for Raytheon Retirees

Fri. August 08, 2008

In a potentially precedent-setting decision that could be worth as much as \$12 million for Local 933 retirees, a U.S. District Court Judge in Arizona ordered Raytheon Missile Systems to restore health care benefits for retirees and dependants whose benefits were unilaterally terminated by the company.



To the victors go the smiles. Local 933 retirees and representatives celebrate a major legal victory over Raytheon Missile Systems in Arizona. (L to R): Ronald Geuder, retired DBR Mike Mincheff, Clare L'Armee, Mark Argraves, David Lillie and current DBR James 'Jimbo' Watson

August 8, 2008 - In a potentially precedent-setting decision that could be worth as much as \$12 million for Local 933 retirees, a U.S. District Court Judge in Arizona ordered Raytheon Missile Systems to restore health care benefits for retirees and dependants whose benefits were unilaterally terminated by the company. U.S. District Court Judge David Bury also ordered Raytheon to resume coverage for eligible employees and to compensate hundreds of retirees for health care premiums they paid after their coverage was terminated.

"This is a great victory for our retirees," said Local 933 DBR James Watson. "They deserve the benefits they fought for during their years with the company and a dignified retirement without the worry of skyrocketing medical premiums on a fixed income."

The ruling follows a class action lawsuit filed by Local 933 members Mark Argraves, Ronald Geuder, Clare L'Armee and David Lillie on behalf of all IAM retirees who worked at Raytheon Missile Systems under IAM contracts going back to 1990.

At issue in the lawsuit was whether Raytheon was lawfully entitled to eliminate health care benefits for employees who retired before the standard retirement age of 65. Retiree health care coverage, which was negotiated in the contract between Raytheon and the IAM, was a key incentive for many employees who took early retirement.

In granting summary judgment for the IAM retirees, Judge Bury said the collective bargaining agreements between 1990 and

1999 “unambiguously provide vested medical benefits for retirees until age 65 at no cost.”

“I wish to thank the class representatives...who represented all retirees in a valiant and competent manner,” said attorney Robert M. Gregory, who handled the case for the IAM retirees. “I also wish to express my special thanks to James ‘Jimbo’ Watson and Robert ‘Bobby’ Martinez, who had the courage to take on Raytheon in order to enforce the rights that the retirees had earned.”

The case will undoubtedly be examined as a potential legal precedent which could impact similar cases across the country. In a statement, Raytheon’s parent company said they were “assessing the decision.”

“Not only does this represent a major victory for IAM Local 933 retirees,” said Western Territory GVP Lee Pearson, “but it establishes legal precedence which could extend far beyond the borders of Arizona. The other western states – and the companies within them – now have a loud and clear message that when our members retire under a collective bargaining agreement promising company-paid benefits, we will fight any efforts to break those promises.”