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ST. LOUIS, Mo.--(BUSINESS WIRE)--Schlichter Bogard & Denton, a leading national law firm based in St. Louis, yesterday filed a preliminary settlement approval motion on behalf of Massachusetts Institute of Technology employees and retirees, in their suit against the university. The plaintiffs in the case sued the school for an alleged breach of fiduciary duties under the Employee Retirement Income Security Act (ERISA). The settlement terms include the creation of an $18.1 million settlement fund for the plaintiffs, as well as non-monetary relief.

The complaint, David B. Tracey, et al., v. Massachusetts Institute of Technology, et al., was originally filed in the U.S. District Court of Massachusetts, in August 2016.

"After over 3 years of litigation, the settlement secures both financial compensation for the plaintiffs and mandates non-monetary improvements to the plan going forward. MIT employees and retirees will now benefit from an improved plan that works on their behalf and enables them to build their retirement assets for the future," said Jerry Schlichter, founding partner of Schlichter Bogard & Denton, attorneys for the plaintiffs.

The complaint alleged that MIT’s employees have lost millions in retirement savings because of Fidelity’s excessive recordkeeping fees and its failure to monitor investments. MIT denied it committed any fiduciary breach in its operation of the plan.

Besides the financial compensation, the non-monetary relief for a three year period includes: MIT will provide annual training to plan fiduciaries on prudent and loyal practices under ERISA and proper decision making in the exclusive best interests of plan participants; MIT will issue request for proposals from at least three qualified service providers for recordkeeping and administrative services for the plan; fees for the recordkeeper will not be on a percentage of assets, but instead on a flat fee per participant; any revenue sharing related to plan investments, not used to defray lawful plan expenses, will be deposited in the plan trust and be returned to plan participants at least annually.

Schlichter Bogard & Denton, based in St. Louis, MO, pioneered excessive fee 401(k) and 403(b) litigation on behalf of employees and retirees. In 2009, the firm won the first full trial of a 401(k) excessive fee case against ABB. The firm’s Tibble v. Edison is the first and only 401(k) excessive fee case to be argued in the Supreme Court. On May 18, 2015, the firm won a landmark unanimous 9-0 decision in that case, in which both the AARP and the Solicitor General wrote supporting briefs for the employees.

Jerry Schlichter and his firm have been referred to by federal judges as "preeminent" in the field of 401(k) fee litigation; as demonstrating "extraordinary skill and determination"; as making "a significant, national contribution," having "educated plan administrators, the Department of Labor, [and] the courts" about fees and fiduciary obligations; and has been referred to by federal judges as a "private attorney general," causing fees to come down by over $2 billion annually in the entire 401(k) industry.