

Bond Case Briefs

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Ramsay v. Kane County Human Resource Special Service Dist.

Supreme Court of Utah - February 25, 2014 - P.3d - 2014 UT 5

County hospital employees, individually and as representatives of class of similarly situated individuals, filed suit against the county human resource special service district, retirement plan administrator, and the plan's insurance and investment agents, arising out of hospital's alleged failure to fund plan as required by law. The Third District Court dismissed complaint for lack of subject matter jurisdiction, and employees appealed. The Court of Appeals affirmed in part, reversed in part, and remanded. Defendants petitioned for a writ of certiorari.

The Supreme Court of Utah held that:

- All of employees' claims fell within exhaustion of administrative remedies requirement of State Retirement and Insurance Benefit Act (the "Act");
- Employees were not relieved from exhaustion requirement on basis that administrative remedies were inadequate; and
- Employees were not relieved from exhaustion requirement on basis that exhaustion would cause them irreparable harm by allowing statute of limitations to run.

County hospital employees' breach of contract, breach of fiduciary duty, negligence, and declaratory and injunctive relief claims for hospital's alleged failure to provide its employees with the appropriate amount of benefits required by the Act were all covered by the Act, and thus court lacked subject matter jurisdiction over any of the claims due to employees' failure to exhaust administrative remedies under the Act.

County hospital employees were not relieved from the requirement of exhaustion of administrative remedies under the State Retirement and Insurance Benefit Act on the basis that administrative remedies were inadequate for their claims even if the Retirement Board was unlikely to grant employees' request for consequential damages, absent evidence that the employees could not proceed as a class in the administrative action or that they could not pursue their claims against third parties in an administrative action.

County hospital employees were not relieved from the requirement of exhaustion of administrative remedies under the Act on the basis that exhaustion would cause them irreparable harm by allowing the statute of limitations to run on their claims since the requirement to exhaust administrative remedies would have no bearing on timing for the purpose of the statute of limitations.