

Bond Case Briefs

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PENSIONS - LOUISIANA

Born v. City of Slidell

Supreme Court of Louisiana - October 14, 2015 - So.3d - 2015 WL 5972534 - 2015-0136 (La. 10/14/15)

Retired city employee brought action against city, seeking declaration of his right to continued health coverage under city's health insurance plan and injunction prohibiting city from removing him from plan.

The District Court denied city's exception raising the objection of prescription and entered judgment granting declaratory and injunctive relief. City appealed. The Court of Appeal affirmed. Certiorari was granted.

The Supreme Court of Louisiana held that:

- Claim for declaratory and injunctive relief accrued, and three-year prescriptive period began to run, when retired employee turned 65 years old and city failed to provide coverage under plan, and
- Retired employee had right to continue to participate in plan.

Retired city employee's claim for declaratory and injunctive relief regarding alleged entitlement to continued participation in city's health insurance plan after his 65 birthday accrued, and three-year prescriptive period began to run, when retired employee turned 65 years old and city failed to provide coverage under plan, not earlier date on which city modified ordinance governing health benefits for retirees 65 years of age or older. Prior to city removing retired employee from plan, there was no indication that city would apply ordinance retroactively to retired employee.

Retired city employee had right to continue to participate in city's health insurance plan after retired employee turned 65 years old, even though plan document reserved to city the right to terminate, suspend, discontinue, or amend plan. Retired employee had met all of the requisite conditions at time of his retirement to participate in plan, and city's attempt to remove retired employee from the plan and require him to enroll in Medicare Advantage plan, on basis of amended ordinance governing health benefits for retirees 65 years of age or older, would have divested employee of his vested right in the benefits which he was owed under his contract with the city.