



## Jentz v. Minnesota Life Insurance Company Employee Benefit Plan

2003 | Cited 0 times | D. Minnesota | November 13, 2003

### MEMORANDUM OPINION AND ORDER

#### I. INTRODUCTION

Cross Motions for Summary Judgment [Docket Nos. 38, 41] were heard before the undersigned United States District Judge on October 8, 2003. Plaintiff R. Scott Jentz ("Plaintiff" or "Jentz") seeks severance benefits from Defendant Minnesota Life Insurance Company ("Minnesota Life" or "Defendant") under a severance benefits plan ("Plan") governed by the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001-1046 ("ERISA"). Minnesota Life contends that Plaintiff is not entitled to severance benefits and moves for summary judgment in its favor. For the reasons explained below, Defendant's Motion for Summary Judgment is granted and Plaintiff's Motion for Summary Judgment is denied.

#### II. BACKGROUND

Plaintiff worked for Minnesota Life for twenty-eight years. Jentz Dep. at 21. On March 24, 1999, Plaintiff, who was then a Regional Vice President ("RVP") in Denver, Colorado, learned that Minnesota Life was closing its Denver office due to a company-wide reorganization plan. Klanderman Aff. ¶¶ 2-3. Plaintiff's position as RVP in Denver was officially eliminated in July 1999, at which time he did not request severance benefits. Jentz Dep. at 205-06.

Plaintiff instead applied for two newly created positions at Minnesota Life: RVP of the Southwest Region, based in San Francisco, and RVP of the Northwest Region, based in Seattle. Klanderman Aff. ¶ 4. Plaintiff flew to Defendant's home office in St. Paul, Minnesota for interviews on August 10, 1999, and agreed that he would move to San Francisco if hired as RVP of the Southwest Region. Pinkett Aff. ¶ 3, Ex. B. Three other individuals also applied for this position. Jentz Dep. at 168. Minnesota Life offered Plaintiff the position of Southwest Region RVP in August 1999, which he accepted. Id. at 63-64; Pinkett Aff. Ex. D. Plaintiff was to begin his new job on September 1, 1999. Plaintiff told Minnesota Life that he would relocate to San Francisco by January 1, 2000, because the position required him to live within the Southwest sales territory. Plaintiff's family was to join him during the first quarter of 2000. Klanderman Aff. Ex. C. Plaintiff delayed moving in part because his wife suffered from a chronic illness that complicated relocating to San Francisco. Jentz Dep. at 83-84.

In September 1999, Plaintiff assumed the job of Southwest Region RVP and over the next few months completed several tasks in this position. Jentz Dep. at 220. He helped design the structure of the



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newly created Southwest Region, presented a regional plan at a conference for Minnesota Life employees, and met with staff from the San Francisco office from which he made sales calls. *Id.* at 72, 172-73; *Klanderman Aff. Ex. D.* Minnesota Life paid for Plaintiff and his wife to take a house-hunting trip in San Francisco in October 1999, and also gave Plaintiff \$5000 to remodel his home in Denver before its sale, at Plaintiff's request. *Jentz Dep.* at 59, 67, 81-82. Plaintiff told Minnesota Life that he still intended to move to San Francisco during this period.

Plaintiff's plans changed in February 2000, after he learned that his twenty-five year old daughter suffered from bipolar disorder. Plaintiff believed that relocating to San Francisco would hamper his daughter's recovery, and felt that his wife's illness also made moving difficult. *Id.* at 83-84. Based on these personal concerns, Plaintiff resigned from his position as Southwest Region RVP on March 19, 2000. *Klanderman Aff.* ¶ 6, *Ex. F.* Plaintiff's resignation took effect on April 1, 2000, but Minnesota Life agreed to pay his salary through May 8, 2000. *Id.* ¶ 8.

Plaintiff did not request severance pay when he resigned, but did request benefits on April 19, 2000, after removing himself from Minnesota Life's payroll due to a conflict of interest.<sup>1</sup> *Id.* ¶ 8, *Exs. H-I.* Plaintiff based his request on Minnesota Life's ERISA governed severance pay plan. Plaintiff sought benefits again February 8, 2002, but Minnesota Life denied this request, contending that Plaintiff did not qualify for severance pay because he resigned from his position as Southwest Region RVP. *Id.* ¶ 9. Plaintiff filed suit on June 7, 2002, alleging that Minnesota Life's failure to pay severance benefits violates ERISA.

### III. DISCUSSION

The parties now bring cross Motions for Summary Judgment. Federal Rule of Civil Procedure 56(c) provides that summary judgment shall issue "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." *Fed. R. Civ. P.* 56(c); see *Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 587 (1986); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 252 (1986); *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). On a motion for summary judgment, the Court views the evidence in the light most favorable to the nonmoving party. *Ludwig v. Anderson*, 54 F.3d 465, 470 (8th Cir. 1995). The nonmoving party may not "rest on mere allegations or denials, but must demonstrate on the record the existence of specific facts which create a genuine issue for trial." *Krenik v. County of Le Sueur*, 47 F.3d 953, 957 (8th Cir. 1995).

The parties agree that Minnesota Life's Plan is governed by ERISA, and that the Court should review the decision to deny Plaintiff severance benefits de novo. In conducting de novo review, courts must examine the plan language based on ordinary contract principles and determine whether an employee is entitled to benefits. *Harper v. R.H. Macy & Co., Inc.*, 920 F.2d 544, 545 (8th Cir. 1991). According to the court in *Harper*, "[e]ach provision should be read consistently with the others and



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the terms should be construed to render none of them nugatory." *Id.*; see also *Jacobs v. Pickens Mather & Co.*, 933 F.2d 652, 656 (8th Cir. 1991). Any unresolved ambiguity in plan language is construed against the employer. *Delk v. Durham Life Ins. Co.*, 959 F.2d 104 (8th Cir. 1992).

While in agreement about the proper standard of review, the parties disagree whether Plaintiff qualifies for benefits under Minnesota Life's Plan. The Plan states as follows:

1. Full-time, regular status employees will be eligible for severance pay if their termination is due to:
  - A. Inability to perform in a satisfactory manner not attributable to any willful cause and prior to being placed on performance probation;
  - B. Mutual agreement initiated by the company based on documented performance problems;
  - C. Elimination of the job/relocation of office; or
  - D. Reduction in the company's workforce. See *Pinkett Aff. Ex. A*.

Plaintiff argues that he is entitled to severance pay under provisions A and C above. Defendant counters that neither provision applies to Plaintiff and contends further that employees who voluntarily leave the company cannot receive benefits. *Id.*

Based upon de novo review of the Plan administrator's decision, Plaintiff is not eligible for benefits under Minnesota Life's Plan given its plain meaning. First, Plaintiff does not qualify for severance benefits due to an inability to perform that is "not attributable to any willful cause." *Id.* Plaintiff claims that he cannot fulfill his job tasks because his wife's and daughter's health problems precluded him from moving to San Francisco, and that this was beyond his control. This interpretation, however, is contrary to the provision's plain language. Plaintiff was capable of moving to San Francisco and competently performing his job when he accepted the Southwest Region RVP position, but chose not to for family reasons. Given that Plaintiff resigned based on a personal choice, a willful decision, he is not entitled to severance pay under this provision.

Plaintiff also argues that he deserves benefits as an employee whose job has been eliminated or whose office was relocated. Plaintiff would have qualified for severance pay had he requested them at the time that his Denver post was eliminated by the reorganization. Plaintiff did not seek benefits at that time however, but instead applied for, was interviewed, and accepted a new post as Southwest Region RVP. Plaintiff argues that he should receive benefits because Minnesota Life eliminated his job as RVP in Denver, but Plaintiff's last position with Minnesota Life was Southwest Region RVP in San Francisco. This latter position was not eliminated and remains in existence. Therefore, Plaintiff cannot receive severance pay under the job elimination/office relocation provision.



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Finally, Part 2 of the Plan clarifies that Plaintiff is not eligible for benefits. Reading Part 2 consistently with the rest of the Plan, where no provision is construed to render another nugatory, it outlines situations where Minnesota Life will not pay severance benefits. Part 2(A) states that employees will not receive severance pay if their termination results from them voluntarily leaving the company. Plaintiff voluntarily ended his employment with Minnesota Life stating that "due to personal reasons I cannot move to California" and consequently "I am resigning [from] my position as Southwest Regional Vice President." Klanderman Aff. Ex. F. While Plaintiff may have felt compelled to resign for his family's benefit, Minnesota Life did not terminate his employment-it was his choice. Plaintiff is consequently not eligible for severance pay, and Plaintiff's Motion for Summary Judgment is denied.

### IV. CONCLUSION

Based on the foregoing, and all the files, records and proceedings herein, IT IS HEREBY ORDERED that:

1. Plaintiff's Motion for Summary Judgment [Docket No. 38] is DENIED, and
2. Defendant's Motion for Summary Judgment [Docket No. 41] is GRANTED.

LET JUDGMENT BE ENTERED ACCORDINGLY.

1. Plaintiff began working as a consultant for Bellco Credit Union, one of Minnesota Life's customers, in April 2000 though he was still being paid by Minnesota Life. As Bellco's consultant, Plaintiff submitted a business proposal to Bellco on behalf of a company called QSO, one of Minnesota Life's competitors. Given this conflict of interest, Plaintiff suggested that he remove himself from Minnesota Life's payroll effective April 15, 2000.

