

# Collective Bargaining Agreements Must be Interpreted According to 'Ordinary Principles of Contract Law'

The U.S. Supreme Court has emphatically reaffirmed the requirement that collective bargaining agreements must be interpreted according to “ordinary principles of contract law” when deciding whether retired employees are entitled to health care benefits, according to a post by **Foster Swift Collins & Smith PC**.

Richard C. Kraus and Mindi M. Johnson discuss *CNH Industrial N.V. v. Reese*.

“The case involved a dispute over union retiree health benefits. In 1998, CNH entered into a CBA which provided group health care benefits to certain employees set to retire under the company’s pension plan. After the CBA expired, a class of CNH retirees and surviving spouses initiated a lawsuit in federal court asking for declaratory judgment that they were entitled to health care benefits for life and seeking to enjoin CNH from modifying those benefits.”

**Read the article.**