

# ***Tackett Redux: Ordinary Principles of Contract Interpretation Mean No Inference of Vesting***

The U.S. Supreme Court recently reaffirmed that collective bargaining agreements (CBAs) must be interpreted according to “ordinary principles of contract law,” according to **a post** in the Proskauer Rose Employee Benefits & Executive Compensation Blog.

The ruling again rejected the Sixth Circuit’s inference from silence that CBAs vested retiree benefits for life.

Three years ago, the Supreme Court held in *M&G Polymers USA, LLC v. Tackett* that CBAs must be interpreted according to ordinary principles of contract law, and the court rejected the Sixth Circuit’s so-called “*Yard-Man*” inference that if a CBA did not specify that retiree medical and other welfare benefits had a limited duration, the benefits were presumed to be vested.

The article’s authors explain: “The Supreme Court unanimously reversed the Sixth Circuit, holding that the Sixth Circuit’s inference of vesting could not be squared with *Tackett* because it did not comply with *Tackett*’s direction to apply ordinary contract principles.”

**Read the article.**