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Authors:

[Deborah Holland Tudor](#)

Attention 401(k) Plan Sponsors: It is more important than ever to regularly review and evaluate your plan's investment funds

Participants in the Edison International 401(k) Plan sued the Plan sponsor alleging that the Plan could have offered the same mutual funds available under the Plan using less expensive share classes, which would have reduced the expenses paid from the participants' accounts. Plan participants claimed that Edison International breached its fiduciary duty under the Employee Retirement Income Security Act of 1974 (ERISA) with respect to the investment options offered under the Plan. Both the lower court and the Ninth Circuit Court of Appeals dismissed the participants' claims related to investment funds selected in 1999 because the lawsuit was brought in 2007, more than six years after the funds were originally selected to be offered under the Plan. The courts held that ERISA's six-year statute of limitations for fiduciary breach claims started to run when the investment funds were selected.

The U.S. Supreme Court justices were unanimous in holding that the fiduciary duty to monitor investments under an ERISA-covered plan (like a 401(k) plan) is a "continuing duty" and that participants have six years from the date of an alleged failure to monitor or remove an imprudent investment option to bring a claim. As a result of this continuing duty, the six-year limitations period does not start to run as long as the imprudent investment option is still in the plan.

[Click here](#) to view this article in its entirety, including the specific guidelines provided by the ruling for plan sponsors.

For more information, please contact [Deborah Holland Tudor](#) or any other attorney on Frost Brown Todd's [Employee Benefits Law](#) service team.

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