

## Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

**SUPREME COURT OF THE UNITED STATES**

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GREAT-WEST LIFE & ANNUITY INSURANCE CO.  
ET AL. *v.* KNUDSON ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR  
THE NINTH CIRCUIT

No. 99–1786. Argued October 1, 2001—Decided January 8, 2002

When respondent Janette Knudson was injured in a car accident, the health plan (Plan) of petitioner Earth Systems, Inc., the employer of Janette's then-husband, respondent Eric Knudson, covered \$411,157.11 of her medical expenses, most of which was paid by petitioner Great-West Life & Annuity Insurance Co. The Plan's reimbursement provision gives it the right to recover from a beneficiary any payment for benefits paid by the Plan that the beneficiary is entitled to recover from a third party. A separate agreement assigns Great-West the Plan's rights to any reimbursement provision claim. After the Knudsons filed a state-court tort action to recover from the manufacturer of their car and others, they negotiated a settlement which allocated the bulk of the recovery to attorney's fees and to a trust for Janette's medical care, and earmarked \$13,828.70 (the portion of the settlement attributable to past medical expenses) to satisfy Great-West's reimbursement claim. Approving the settlement, the state court ordered the defendants to pay the trust amount directly and the remainder to respondents' attorney, who, in turn, would tender checks to Great-West and other creditors. Instead of cashing its check, Great-West filed this federal action under §502(a)(3) of the Employee Retirement Income Security Act of 1974 (ERISA) to enforce the Plan's reimbursement provision by requiring the Knudsons to pay the Plan \$411,157.11 of any proceeds recovered from third parties. The District Court granted the Knudsons summary judgment, holding that the terms of the Plan limited its right of reimbursement to the \$13,828.70 determined by the state court. The Ninth Circuit affirmed on different grounds, holding that judicially decreed reimbursement for payments made to a beneficiary of an in-

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surance plan by a third party is not “equitable relief” authorized by §502(a)(3).

*Held:* Because petitioners are seeking legal relief—the imposition of personal liability on respondents for a contractual obligation to pay money—§502(a)(3) does not authorize this action. Pp. 4–17.

(a) Under §502(a)(3)—which authorizes a civil action “to enjoin any act or practice which violates . . . the terms of the plan, or . . . to obtain other appropriate equitable relief”—the term “equitable relief” refers to those categories of relief that were typically available in equity. *Mertens v. Hewitt Associates*, 508 U. S. 248, 256. Here, petitioners seek, in essence, to impose personal contractual liability on respondents—relief that was not typically available in equity, but is the classic form of *legal* relief. *Id.*, at 255. Petitioners’ and the Government’s efforts to characterize the relief sought as “equitable” are not persuasive. Pp. 4–5.

(b) The Court rejects petitioners’ argument that they are entitled to relief under §502(a)(3)(A) because they seek “to enjoin a[n] act or practice”—respondents’ failure to reimburse the Plan—“which violates . . . the [plan’s] terms.” An injunction to compel the payment of money past due under a contract, or specific performance of a past due monetary obligation, was not typically available in equity. Those rare cases in which an equity court would decree specific performance of a contract to transfer funds were suits that, unlike the present case, sought to prevent future losses that were either incalculable or would be greater than the sum awarded. *Bowen v. Massachusetts*, 487 U. S. 879, distinguished. Pp. 5–7.

(c) Also rejected is petitioners’ argument that their suit is authorized by §502(a)(3)(B) because they seek restitution, which they characterize as a form of equitable relief. Restitution is a legal remedy when ordered in a case at law and an equitable remedy when ordered in an equity case, and whether it is legal or equitable depends on the basis for the plaintiff’s claim and the nature of the underlying remedies sought. For restitution to lie in equity, the action generally must seek not to impose personal liability on the defendant, but to restore to the plaintiff particular funds or property in the defendant’s possession. Here, the basis for petitioners’ claim is not that respondents hold particular funds that, in good conscience, belong to petitioners, but that petitioners are contractually entitled to *some* funds for benefits that they conferred. The kind of restitution that petitioners seek, therefore, is not equitable, but legal. *Mertens, supra*, at 256, and *Harris Trust and Sav. Bank v. Salomon Smith Barney Inc.*, 530 U. S. 238, 253, distinguished. Pp. 7–14.

(d) Finally, the Court rejects the Government’s argument that the common law of trusts provides petitioners with equitable remedies

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that allow them to bring this action under §502(a)(3). Such trust remedies are simply inapposite, see *Mertens, supra*, at 256, and, in any event, do not give a trustee a separate equitable cause of action for payment from moneys other than the beneficiary's interest in the trust. Pp. 14–15.

208 F. 3d 221, affirmed.

SCALIA, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and O'CONNOR, KENNEDY, and THOMAS, JJ., joined. STEVENS, J., filed a dissenting opinion. GINSBURG, J., filed a dissenting opinion, in which STEVENS, SOUTER, and BREYER, JJ., joined.