

---

## OPINION OF TRUSTEES

---

### In Re

Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 88-206 - January 19, 1990

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee; Thomas H. Saggau, Trustee.

Pursuant to Article IX of the United Mine Workers of America ("UMWA") 1950 Benefit Plan and Trust, and under the authority of an exemption granted by the United States Department of Labor, the Trustees have reviewed the facts and circumstances of this dispute concerning the provision of health benefits coverage under the terms of the Employer Benefit Plan.

### Background Facts

The Complainant is a Pensioner whose last signatory classified employment in the coal industry was with the Respondent from February 6, 1989 until August 10, 1989. The Complainant was awarded a UMWA 1974 Pension Plan Age 55 retirement pension, effective September 1, 1989. Information provided to the Funds indicates that the Complainant has not had health benefits coverage since May 1, 1989 because the Respondent failed to pay the insurance premiums. As a result, the Complainant incurred medical bills in June and July 1989 that have not been paid. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988.

### Dispute

Is the Respondent responsible for providing health benefits coverage for the Complainant and for payment of the unpaid medical bills incurred by the Complainant and his eligible dependents?

### Positions of the Parties

Position of the Complainant: The Respondent is responsible for payment of the Complainant's unpaid medical bills and for providing health benefits coverage for the Complainant.

Position of the Respondent: The Respondent has not replied to repeated correspondence from Funds' staff requesting its position in this dispute.

Pertinent Provisions

Article XX(c)(3)(i) of the National Bituminous Coal Wage Agreement of 1988 provides in pertinent part:

(3)(i) Each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement as well as pensioners, under the 1974 Pension Plan and Trust, whose last signatory classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans....

Article I (1), (2), (4) and (5) of the Employer Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (Employer's Name).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1988, as amended from time to time and any successor agreement.
- (4) "Employee" shall mean a person working in a classified job for the Employer, eligible to receive benefits hereunder.
- (5) "Pensioner" shall mean any person who is receiving a pension, other than (I) a deferred vested pension based on less than 20 years of credited service, or (ii) a pension based in whole or in part on years of service credited under the terms of Article II G of the 1974 Pension Plan, or any corresponding paragraph of any successor thereto, under the 1974 Pension Plan (or any successor thereto), whose last classified signatory employment was with the Employer, subject to the provisions of Article II B of this Plan.

Article II A. (4) and B. (1) of the Employer Benefit Plan provide:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

A. Active Employees

- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

B. Pensioners

Health benefits and life insurance under Article III hereof shall be provided to Pensioners as follows:

- (1) Any Pensioner who is not again employed in classified signatory employment subsequent to
- (a) such Pensioner's initial date of retirement under the 1974 Pension Plan, and
  - (b) February 1, 1988, shall be eligible for coverage as a Pensioner under, and subject to all other provisions of this Plan. Notwithstanding (I) and (ii) of the definition of Pensioner in Article I(S) of this Plan, any such Pensioner who was eligible for benefits under the 1974 Benefit Plan as a Pensioner on December 5, 1977, shall be eligible for such benefits, subject to all other provisions of this Plan.

Article III D. (1)(e) of the Employer Benefit Plan provides:

Article III--Benefits

D. General Provisions

- (1) Continuation of Coverage
- (e) Quit or Discharge

If any Employee quits (for any reason) or is discharged, health, life and accidental death and dismemberment insurance coverage will terminate as of the date last worked. An Employee who ceases work and will be found to be eligible for health benefits as a retiree on the first of the month subsequent to the date on which he last worked shall be eligible for benefits without interruption as provided by the Plan from the date he last worked.

### Discussion

Article XX (c)(3)(i) of the 1988 Wage Agreement requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Employees and for Pensioners whose last signatory classified employment was with such Employer. The Wage Agreement stipulates that benefits provided by the Employer pursuant to such Plan shall be guaranteed during the term of the Agreement by that Employer at levels set forth in such Plan.

Article II A. of the Employer Benefit Plan provides health benefits coverage for active Employees working in classified jobs for a signatory Employer. Article II B. provides health benefits coverage for individuals who are eligible for pension benefits under the UMWA 1974 Pension Plan with certain exceptions not relevant here. In addition, Article III 0. (1)(e) states that an Employee who ceases work and is found to be eligible for health benefits as a Pensioner on the first of the month subsequent to the date on which he last worked shall be eligible for benefits without interruption from the date last worked. Inasmuch as the Complainant was an active Employee of the Respondent from February 6, 1989 until August 10, 1989 and became a 1974 Plan Pensioner effective September 1, 1989, he is entitled to health benefits coverage during his employment and continuing beyond his date last worked throughout his eligibility for coverage as pensioner, consistent with the terms of the Wage Agreement and the Employer Benefit Plan. The Respondent is therefore responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents in June and July 1989 during the Complainant's employment with the Respondent.

### Opinion of the Trustees

The Respondent is responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents in June and July 1989, and for providing health benefits coverage to the Complainant as an Employee and Pensioner, consistent with the term of the Wage Agreement and the Employer Benefit Plan.