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OPINION OF TRUSTEES

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In Re

Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 02-010 – April 14, 2004

Trustees: A. Frank Dunham, Michael H. Holland, Marty D. Hudson and  
Elliot A. Segal.

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of benefits under the terms of the Employer Benefit Plan.

Background Facts

The Complainant's last classified signatory employment in the coal industry was with the Respondent from January 2, 2002, through October 5, 2002. The Complainant was notified by letter dated March 6, 2003, that he was awarded a UMWA 1974 Pension Plan Age 55 retirement pension, effective November 1, 2002, based on 14.75 years of classified signatory service and two years of classified non-signatory service. The March 6, 2003, letter also advised the Complainant to contact his last signatory employer, the Respondent, regarding his eligibility for health benefits coverage as a Pensioner. The Complainant states that the Respondent has refused to provide his health benefits coverage.

Dispute

Is the Respondent required to provide health benefits coverage for the Complainant as a Pensioner?

Positions of the Parties

Position of the Complainant: The Respondent is required to provide health benefits coverage for the Complainant as a Pensioner.

Position of the Respondent: The Respondent is not required to provide health benefits coverage for the Complainant as a pensioner for the following reasons: 1) a pensioner must have 20 years of service to receive health benefits coverage; and 2) according to Article II B. (3) of the Employer Benefit Plan, a pensioner must have at least three or more years of service with the Respondent to qualify for health coverage.

Pertinent Provisions

Article I (2), (4) and (5) of the 2002 Employer Benefit Plan provides:

ARTICLE I DEFINITIONS

The following terms shall have the meanings herein set forth:

- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 2002, 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. "Pensioner" shall not mean any individual entitled to benefits under section 9711 of the Internal Revenue Code of 1986, as amended by the Coal Industry Retiree Health Benefit Act of 1992.

Article II B. of the 2002 Wage Agreement provides the following:

Article II - Eligibility

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

B. Pensioners

Health benefits 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) December 31, 2001, 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 (5) 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.
- (2) Any person who
  - (a) has been covered as a Pensioner under this Plan, and
  - (b) is again employed in classified signatory employment after December 31, 2001, with an employer signatory to the Wage Agreement, other than the Employer, shall have coverage under the Plan suspended during such period of employment. If such person is credited with at least three or more years of service under the 1974 Pension Plan after December 31, 2001, while so employed with the same employer, coverage shall be terminated under this Plan.
- (3) Any person who
  - (a) has been receiving a pension under the 1974 Pension Plan,
  - (b) has not been previously covered as a Pensioner under this Plan, and
  - (c) is employed in a classified job by the Employer after December 31, 2001, shall, upon subsequent retirement, be covered as a Pensioner under this Plan only if such person is credited with at least three or more years of service under the 1974 Pension Plan subsequent to the most recent date of employment in a classified job with the Employer.
- (4) Health benefits shall not be provided during any month in which the Pensioner is regularly employed at an earnings rate equivalent to at least \$1,800 per month effective January 1, 2002, and \$2,000 per month effective January 1, 2005.

### Discussion

According to Article I (5) of the Employer Benefit Plan, Pensioner shall mean any person who is receiving a pension except for the following: 1) a deferred vested pension based on less than 20 years of credited service; 2) a pension based in whole or in part on years of service credited under Article II G. of the 1974 Pension Plan; 3) a special permanent layoff pension under the terms of Article II E. (4) of the 1974 Pension Plan, during any period prior to the person's attainment of age 55; and 4) a pensioner entitled to benefits under the Coal Industry Retiree Health Benefit Act of 1992.

The Complainant is receiving an Age 55 pension under the 1974 Pension Plan. An Age 55 pension is awarded to a mine worker whose last date of credited service is on or after his 55th birthday, but prior to age 62. In this case, the Complainant was 56 on his last date of credited service. In addition, the mine worker must have established at least 10 years of credited service, as the Complainant did.

The Complainant in this case is not receiving a deferred vested pension based on less than 20 years of credited service nor is his pension based in whole or in part on years of service credited under Article II G. Furthermore, he is not receiving a special permanent layoff pension nor is he entitled to benefits under the Coal Act. Therefore, the Complainant meets the definition of Pensioner under the terms of Article I (5).

According to Article II B. of the Employer Benefit Plan, Pensioners are divided into three groups in order to determine which Employer is responsible for their health benefits coverage. The three groups are as follows: (1) Pensioners who are not again employed in classified signatory employment after their initial retirement date and December 31, 2001; (2) Pensioners who again become employed in classified signatory employment after December 31, 2001, but who work for less than three years; and (3) Pensioners who again become employed in classified signatory employment and work for three or more years.

The Complainant was not again employed in classified signatory employment after his initial retirement date and December 31, 2001. Therefore, the Complainant meets the requirements under Article II B. (1) of the Employer Benefit Plan.

The Respondent claims that the Complainant is not eligible for health benefits because the Complainant does not meet the requirements under Article II B. (3) of the Employer Benefit Plan. Article II B. (3) addresses an individual who was receiving a pension and was eligible for health coverage and returns to classified signatory employment. In such a case, if the pensioner returns to work for at least three years and then resumes his pension, the employer responsible for his health coverage is the current signatory employer. Article II B. (3) does not apply in the

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current case because prior to November 1, 2002, the Complainant had not received pension benefits.

Opinion of the Trustees

The Respondent is required to provide health benefits coverage to the Complainant as a pensioner effective November 1, 2002, consistent with the terms of the Employer Benefit Plan.