

OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse of Deceased Employee
Respondent: Employer
ROD Case No: 16 - November 21, 1979

Board of Trustees: Harrison Combs, Chairman; John J. O'Connell, Trustee; Paul R. Dean, Trustee.

Pursuant to Article IX of the United Mine Workers of America 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 payment of death benefits on behalf of a deceased employee under an Employer's Benefit Plan and hereby render their opinion on the matter.

Background Facts

The Employee, born June 18, 1944, began working in a classified job for the Employer, a signatory to the NBCWA of 1974, on July 21, 1975 and continued to March 19, 1976 at which time he was laid off; he had completed 984.75 hours during this period. From March 30, 1976 to March 23, 1977, the Employee worked for another signatory employer, completing 1,415 hours. He was re-hired by the Respondent Employer in accordance with the NBCWA on March 28, 1977 and worked until June 8, 1977, completing 323 hours. At that time, he left work due to illness and received Sickness and Accident Benefits for 13 weeks to September 17, 1977. He died of cancer in February 24, 1978 without returning to work.

During the 24-month period prior to his last work date in June, 1977, the Employee had worked more than 2000 hours in classified signatory employment. Accordingly, he was eligible for continued health and death benefit coverage, while unemployed, for a 12-month period ending June 30, 1978, under the 1974 Benefit Plan then in effect.

The Employer considered the Employee to have been eligible for medical coverage to June 9, 1978 and issued a Health Benefit ID card to the Employee's widow, effective March 27, 1978, but had denied responsibility for payment of death benefits to the surviving spouse.

Dispute

Is the Employer responsible for payment of death benefits to the surviving spouse, with health benefits coverage for 60 months following the month of the Employee's death?

Positions of the Parties

Position of Surviving Spouse: Since the Employee worked more than 2000 hours during the 24-month period prior to his death, and the surviving spouse was found eligible for health benefits, she should be eligible for death benefits.

Position of Employer: The widow is not entitled to survivor's benefits because her husband was not (1) an active employee, and (2) a pensioner or (3) drawing sickness and accident benefits.

Pertinent Provisions

- (1) Article II A, 1974 Benefit Plan
- (2) Article II E, 1974 Benefit Plan
- (3) Article II A(2), Employer's Benefit Plan
- (4) Article III D(2), Employer's Benefit Plan
- (5) Q & A DB-1

Discussion

At the time of the Employee's last work date in June 1977, he had worked over 2000 hours within the preceding 24-month period. He was therefore eligible for continued health and death benefit coverage as a disabled Employee under the 1974 Benefit Plan for a 12-month period ending June 30, 1978. This is accordance with Article II A of that Plan, as implemented by the Trustees.

Article II A(2) of the Employer's Benefit Plan provides that benefits under Article III (which include health benefits in Section A and death benefits in Section D) should be provided to any Employee who is on layoff or disabled from the Employer and had continuing eligibility as of March 27, 1978 for coverage under the UMWA 1974 Benefit Plan (prior Plan) as a laid off or disabled Employee. As provided, coverage for such Employees does not continue beyond the date they would no longer have been eligible under the prior Plan.

Article II D(2) of the Employer's Benefit plan provides that death benefit payments should be made for deaths occurring between December 6, 1977 and March 27, 1978 (the strike period) for Employees whose last classified employment was with the Employer and who were participants in the 1974 Benefit Plan as of December 5, 1977; payment of the death benefit is to be made in the same manner and in the same amounts as previously provided for in the 1974 Benefit Plan. In the case of an eligible laid off or disabled Employee, the benefit was in the amount of \$7500 payable over a 60-month period (Article III B(4)).

The Employee was a participant in the 1974 Benefit Plan as of December 5, 1977 and was eligible for death and health benefit coverage under the terms of that plan as of the date of his death, February 24, 1978. Since his death occurred between December 5, 1977 and March 27,

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1978, Article III D(2) of the Employer's Benefit Plan is applicable and the surviving spouse is eligible for the \$7500 death benefit payment and continued health benefits.

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The Trustees are of the opinion that the Employer is responsible for payment of the \$7500 death benefits to the surviving spouse of the Employee, with payments to be made over a 60-month period; additionally the Employer is responsible for providing health benefit coverage for the surviving spouse and any eligible surviving dependents of the Employee.