
OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 51 - November 26, 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 the provision of death and health care benefits for the survivors of the deceased Employee by the Employer and hereby render their opinion on the matter.

Background Facts

The Employee was last employed on December 5, 1977 by the Respondent Employer then signatory to the NBCWA of 1974 and currently signatory to the NBCWA of 1978. The Employee had worked for the Respondent Employer from November 1, 1977 to December 5, 1977 and had previously worked for another Employer signatory to the NBCWA of 1974. During the 24-month period prior to his last work date, December 5, 1977, the Employee had worked more than 2000 hours in classified signatory employment and was eligible for continued health and death benefit coverage for 12 months beyond December 1977 under the provisions of the UMWA 1974 Benefit Plan ("Prior Plan"). The Employer did not operate from December 5, 1977 to March 27, 1978 because of the nationwide strike which preceded the signing of the NBCWA of 1978.

The Employee was unable to return to work on the effective date of the 1978 Agreement or thereafter due to poor health. The Respondent Employer alleges that the Employee stated "he was ill and was going to have to quit work for awhile;" also that he had "signed up on Social Security disability benefits and was receiving payment." (Actually, the Employee began receiving Social Security disability payments in October, 1978 with payments effective Sept., 1978).

The Employee died on November 13, 1978. The Respondent Employer did not include the Employee for insurance coverage under the 1978 Agreement and has refused to provide the Employee's surviving spouse with health benefits or life insurance based on the Employee's death.

Question or Dispute

Is the surviving spouse of the Employee eligible for health and life insurance benefits under the terms of the Respondent Employer's benefit plan, established pursuant to Article XX of the NBCWA of 1978?

Positions of the Parties

Respondent: The Respondent Employer maintains that the Employee had quit his job, relieving the Employer of responsibility for providing benefits.

Complainant: The representative of the surviving spouse contends that the Employer is obligated, under the 1978 Wage Agreement, to provide coverage to the Employee as a disabled employee.

Pertinent Regulations

- (1) Article II A(2) of the Employer's Benefit Plan, which provides that benefits under Article III shall be provided to any Employee who "is on lay off 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; coverage for such laid off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for such coverage under the provisions of the prior Plan."
- (2) Article III B(1)(a) of the Employer's Benefit Plan, which provides that life insurance will be provided for Employees, as described in Article II, Section A, in the amount of \$12,000 if death was due to other than violent, external and accidental means.
- (3) Article III E(1)(e) of the Employer's Benefit Plan, which provides that if an Employee quits or is discharged, health and life insurance coverage will terminate as of last date worked.
- (4) Article II A of UMWA 1974 Benefit Plan (prior Plan), which provided that health benefits shall be provided to any person unemployed for a period of time to be determined by the Trustees (but in no event for more than one year) immediately following the date of termination of such employment. (The Trustees administratively determined that laid off or disabled employees would remain eligible for coverage for one year if they had worked 2000 hours in classified signatory service with employers in the coal industry within the 24-month period preceding last work date; in the case of quit or discharge, eligibility would continue for 30 days).
- (5) Article III B(4) of prior Plan, which provided that a death benefit (\$7,500) would be paid upon the death of a Participant referred to in Article II A, who was survived by one or more dependents.

- (6) Article II E(3) of Employer's Benefit Plan, which provides that the surviving spouse and dependent children of an Employee who died while eligible for health benefits under II A, such benefits to continue for 60 months if the surviving spouse is not eligible for the Surviving Spouse Benefit.

Discussion

At the time of the Employee's last work date, December 5, 1977, he was a participant in the 1974 Benefit Plan and Trust and had worked more than 2000 hours in classified signatory employment within the preceding 24 months. It is not established on what date the Employee became disabled, but it is apparent that his disability occurred during the strike period as he worked on the last day preceding the strike and was unable to resume employment when the Agreement was signed. The Employee was therefore eligible for continued health and death benefit coverage under the 1974 Benefit Plan (prior Plan) up to December 31, 1978 as a laid off or disabled Employee.

The Employer stated that the Employee advised he was ill and would have to quit work for awhile and further stated that the Employee was receiving Social Security disability payments. On this basis, the Employer concluded he had quit and there was no responsibility to provide benefits. Accordingly the Employer did not provide benefit coverage for the Employee at the time the 1978 Agreement became effective, March 27, 1978. Actually, however, the Employee did not begin receiving Social Security Disability payments until October, 1978, the month before his death.

There has been no evidence submitted to establish that the Employee quit his job and since he was eligible for continued coverage for one year beyond his last work date, December 5, 1977, under the prior Plan, the Employee was eligible for health and death benefit coverage (under Article II A(2) of the Employee's plan) up to the time of his death on November 13, 1978. Since death occurred after the effective date of the 1978 Agreement, March 27, 1978, the amount of the death benefit is determined by Article III B(1)(a) of the Employer's Plan and the surviving spouse is eligible for health benefit coverage under Article II E(3) of the Employer's Plan.

Opinion of the Trustees

The Employer is responsible for payment of the \$12,000 life insurance benefit in lump sum to the surviving spouse of the Employee and is further responsible for providing health benefit coverage to the surviving spouse and any eligible dependent children for a period of 60 months subject to the limitations of the Employer's Plan.