

OPINION OF TRUSTEES

---

In Re

Complainant: Surviving Spouse  
Respondent: Employer  
ROD Case No: 137, March 24, 1982

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 ("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 and death benefits to the surviving spouse of the deceased Employee by the Employer under the terms of the Employer's Benefit Plan and hereby render their opinion on the matter.

Background Facts

The Employee worked for the Employer from October 1975 to December 12, 1975. On December 26, 1975, he was killed in an automobile accident.

Under the UMWA 1974 Benefit Plan ("1974 Benefit Plan"), the surviving spouse and minor dependents were eligible for a Death and Survivors Benefit of \$7,500, payable in monthly installments over a five-year period, beginning on January 1, 1976. The UMWA Health and Retirement Funds ("Funds") paid this benefit from January 1, 1976, through February 1980. The Funds also paid health benefits during the same period.

As of June 1, 1978, the Employer established the Employer's Benefit Plan pursuant to Article XX(c)(3)(i) of the National Bituminous Coal Wage Agreement of 1978. The 1974 Benefit Plan continued to provide health and death benefits during an investigation which was made to determine the Employer's responsibility to provide benefits.

On January 16, 1980, the Funds notified the Employer that the Employer is responsible for providing benefits for the deceased Employee's surviving spouse and minor dependent children, under Article III.D(1) of the Employer's Benefit Plan.

On February 14, 1980, the Employer notified the Funds that the Employer would not provide benefits to the deceased Employee's dependents because the Employee had quit his employment during the first week of December 1975.

On June 20, 1980, the Employer advised the Funds that the surviving spouse had remarried on August 5, 1978.

### Dispute

Is the Employer responsible for the provision of benefits to the surviving spouse and minor dependents from June 1, 1978, through January 1981?

### Position of the Parties

Position of the Surviving Spouse's Representative: She feels that she and the minor dependents are eligible for benefits.

Position of the Employer: The Employee quit his employment with the Employer several weeks before his death. Therefore, the Employer is not responsible for providing any benefits to the dependents.

### Pertinent Provisions

Article XX (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1978 which provides:

(i) Except as provided in (ii) below, effective on June 1, 1978, each signatory Employer shall establish 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 classified employment was with such Employer. The benefits provided pursuant to such plans shall be guaranteed during the term of this Agreement by each Employer at levels set forth in such plans. Such plans shall also include that each signatory Employer continue to make the death benefit payments in pay status as of December 5, 1977, for deceased Employees and pensioners under the 1974 Pension Plan whose last classified employment was with such Employer, in the same manner and in the same amounts as previously provided for in the 1974 Benefit Plan and Trust. The plans established pursuant to this subsection will be incorporated by reference and made a part of this Agreement, and the terms and conditions under which the health and other non-pension benefits will be provided under such plans are as to be set forth in such plans.

Article II.E(3) of the Employer's Benefit Plan which provides:

Health benefits under Article III shall be provided to (1) any unmarried spouse and (ii) such spouse's unmarried surviving dependent children as defined in subparagraphs (2) and (5) of paragraph D, of an Employee or Pensioner who died: ...

- (3) At a time when such Employee or Pensioner is entitled to receive health benefits pursuant to paragraph A, B, or C of this Article II, provided that (i) if such Employee or Pensioner dies prior to the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit, then only for the period that the spouse is eligible to receive death benefits in installment payments pursuant to paragraph D of Article III ....

Article III.D(1) of the Employer's Benefit Plan which provides:

- (1) Death benefit payments shall be continued in those cases which were in pay status as of December 5, 1977, under the 1974 Benefit Plan, for deceased Employees and Pensioners, whose last classified employment was with the Employer, in the same manner and in the same amounts, as previously provided for in the 1974 Benefit Plan.

Article III.E(1)(e) of the Employer's Benefit Plan which provides:

- (e) If an Employee quits or is discharged, health, vision care, life and accidental death and dismemberment insurance coverage will terminate as of the date last worked.

Health Benefits/Death Benefits

Q&A #169

Question: The widow of an active miner applies for benefits, and it appears that between the date of her miner-husband's death and the date of application she (a) has remarried and (b) has been divorced (the second marriage has been dissolved). Is she eligible for death benefits? Is she eligible for health benefits?

Answer: Such a person is eligible for death benefits since, at the time of the miner's death, she was a surviving dependent. She is not eligible for health benefits as a surviving spouse because such benefits terminated upon remarriage.

#### Discussion

Under Article III.D.(1) of the Employer's Benefit Plan, the Employer is required to continue death benefit payments which were in pay status pursuant to the 1974 Benefit Plan as of December 5, 1977, for deceased Employees whose last classified employment was with the Employer. Payments must be continued in the same manner and same amounts as under the 1974 Benefit Plan. The employee's last classified employment was with the Employer. And, as of December 5, 1977, death benefits were in pay status under the 1974 Benefit Plan. Therefore, the Employer is responsible for providing death benefits in installment payments from June 1, 1978, the effective date of the Employer's Benefit Plan, through January 1, 1981, the last month in which the spouse and minor dependents would have been eligible for death benefit payments under the terms of the 1974 Benefit Plan.

Under Article II.E(3) of the Employer's Benefit Plan, the surviving spouse and minor dependents are eligible for health coverage for the period that they are eligible for death benefits in

Opinion of Trustees

ROD Case No. 137, March 24, 1982

Page 4

installment payments. The spouse's remarriage, however, terminates her health coverage as well as that of the minor dependents. In this case, therefore, the surviving spouse and minor dependents were eligible for health coverage from the Employer from June 1, 1978, the effective date of the Employer's Benefit Plan, through August 4, 1978, the date the surviving spouse remarried.

The Employer notes, however, that under Article III.E(1)(e) of the Employer's Benefit Plan, if an Employee quits, all health and other benefits coverage ceases as of the date last worked. The Employer claims, therefore, that because the Employee terminated his employment with the Employer on December 12, 1975, two weeks prior to his death, the surviving spouse and minor dependents were not entitled to any benefits under the Employer's Benefit Plan. Article III.E(1)(e) must be read in conjunction with Article III.D(1), which requires the Employer to continue death benefits which were in pay status under the 1974 Benefit Plan. Under that Plan, an Employee who voluntarily terminated his employment continued to be eligible for benefits coverage for a period of 30 days after the last day worked. Because the Employee's surviving spouse and dependents were properly receiving death benefits under the 1974 Benefit Plan, the Employer's claim that the Employee's eligibility for benefits coverage ceased on December 12, 1975, is without merit.

Opinion of the Trustees

The Trustees are of the opinion that the Employer is responsible for providing health benefits for the surviving spouse and minor dependents from June 1, 1978, through August 4, 1978, and death benefits from June 1, 1978, through January 1981.