
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 78-343 - February 24, 1986

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William B. Jordan, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., 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 level of health benefits coverage for a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant began working for the Respondent in a classified position in September 1976. On July 21, 1980, the Complainant sustained a work-related injury and ceased working. The Complainant's application for Social Security Disability Insurance ("SSDI") benefits was approved on March 9, 1982, with a disability onset date of July 21, 1980.

The Complainant filed an application for disability pension benefits under the UMWA 1974 Pension Plan on August 21, 1981. On August 18, 1982, the Complainant's application for disability pension benefits was denied by the Funds. Although the denial was never formally appealed, the Complainant filed a civil action in federal court. On review, it was determined that the Complainant was entitled to a disability pension from the 1974 Pension Trust. On March 7, 1985, the Complainant was notified by letter of his eligibility for a disability pension from the Funds, retroactive to March 1, 1980, and was advised to contact his last signatory Employer, the Respondent, concerning the provision of health benefits coverage. The Respondent received a copy of that letter on March 7, 1985.

The Respondent has accepted responsibility for the provision of health benefits coverage for the Complainant effective March 7, 1985. However, the Respondent has denied responsibility for coverage for the period August 1, 1980 through March 6, 1985, stating that it "can find no provision in the contract requiring retroactive payment of health care benefits in this type situation." The Complainant has asked whether the Respondent is responsible for the provision of his health benefits coverage effective August 1, 1980.

Dispute

Is the Respondent responsible for the provision of health benefits coverage for the Complainant and his eligible dependents from August 1, 1980 through March 6, 1985?

Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent is responsible for the provision of health benefits coverage effective August 1, 1980.

Position of the Respondent: The Respondent is responsible for the provision of health benefits coverage from March 7, 1985, the date the Complainant was informed of the approval of his pension. The Respondent is not, however, responsible for the retroactive provision of coverage from August 1, 1980 through March 6, 1985.

Pertinent Provisions

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

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (coal company).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1978, as amended from time to time and any successor agreement.
- (5) "Pensioner" shall mean any person who is receiving a pension, other than a deferred vested pension based on less than 20 years of credited service, under the United Mine Workers of America 1974 Pension Plan, (or any successor thereto), whose last classified employment was with the Employer.

Article II B. of the Employer Benefit Plan provides:

Article II - Eligibility

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

B. Pensioners

Health benefits and life insurance under Article III hereof shall be provided to any Pensioner who is receiving pension benefits under the 1974 Pension Plan, or any successor thereto, provided that (i) the Pensioner is not receiving 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, or (ii) that the Pensioner is not receiving a deferred vested pension based on less than 20 years of credited service. Notwithstanding (i) and (ii) immediately above, 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. Health benefits shall not be provided for any month in which the Pensioner earns more than \$200.

Discussion

Article II B. of the Employer Benefit Plan provides health benefits coverage for Pensioners who are receiving pension benefits under the UMWA 1974 Pension Plan. Article I (5) of the Employer Benefit Plan defines a "Pensioner" as any person who is receiving a pension, other than a deferred vested pension based on less than 20 years of credited service, under the UMWA 1974 Pension Plan whose last classified employment was with the Employer. Inasmuch as the Complainant is receiving a disability pension and not a deferred vested pension based on less than 20 years of credited service, the Complainant satisfies the definition of "Pensioner" as set forth in Article I (5) of the Plan and is therefore eligible for benefits coverage as provided by Article II B. of the Employer Benefit Plan.

The issue of when the Employer's responsibility to provide health benefits coverage commences has previously been addressed by the Trustees in RODs 81-521 and 273 (enclosed herein). In those decisions, the Trustees concluded that an individual satisfies the definition of "Pensioner" as set forth in Article I (5) of the Employer Benefit Plan as of the effective date of his pension. Therefore, the Employer is responsible for the provision of health benefits coverage as of the pension effective date. Accordingly, the Trustees are of the opinion that, inasmuch as the Complainant satisfied the definition of "Pensioner" within the meaning of Article I (5) of the Plan on August 1, 1980, the Respondent is responsible for the provision of health benefits coverage for the Complainant effective August 1, 1980.

Opinion of the Trustees

The Respondent is responsible for the provision of health benefits coverage for the Complainant and his eligible dependents for the period of August 1, 1980 through March 6, 1985.