

OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 81-54 - August 25, 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 health benefit coverage for the surviving spouse of an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is the surviving spouse of a mine worker who was fatally injured in a motorcycle accident on June 24, 1981. At the time of his death, the miner was employed in a classified job by the Respondent. The Complainant was provided a lump sum life insurance benefit by the Respondent. The Respondent was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1978, which expired March 27, 1981, and did not sign the 1981 Wage Agreement. The Respondent continued its operations until July 14, 1981.

The Complainant claims that the mine worker and his dependents were provided health benefit coverage by the Respondent until the mine worker's death on June 24, 1981, at which time coverage was terminated. The Complainant contends that the Respondent is responsible for providing health benefits coverage for her and her eligible dependents. The Respondent did not reply to repeated inquiries by Funds' staff and has not given its position in this dispute.

Dispute

Whether the Respondent is responsible for providing health benefits to the Complainant and her dependents following the death of her husband on June 24, 1981.

Positions of the Parties

Position of Complainant: The Respondent is responsible for the provision of health benefits to the Complainant and her eligible dependents as provided by the terms of the Employer Benefit Plan.

Position of Respondent: Respondent has not provided its position in this dispute.

Pertinent Provisions

Article XX(C)(3)(I) of the National Bituminous Coal Wage Agreement of 1978 provides:

(3) (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 I (1),(2),(4) and (7) of the 1978 Employer Benefit Plan provides:

ARTICLE I. Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (Employer's Name)
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1978 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.
- (7) "Dependent" shall mean any person described in Section D of Article II hereof.

Article II E. (3)(ii) of the Employer Benefit Plan provides in pertinent part:

- E. Surviving Spouse and Dependents of Deceased Employees or Pensioners Health benefits under Article II shall be provided to (i) any unmarried surviving spouse and (ii) such spouse's unmarried surviving dependent children as defined in subparagraphs (2) and (;) &f 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 paragraphs A, B, or G of this Article II, provided that (ii) if such Employee or Pensioner died on or after the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit and life insurance benefits or death benefits are payable in a lump sum, then only for 60 months following the month of the death of such Employee or only 22 months following the month of death of such pensioner. If life insurance benefits or death benefits are not payable, Health Benefits shall be provided only to the end of the month in which the Employee or Pensioner died.

Discussion

Article XX(c)(3)(i) of the 1978 Wage Agreement required a signatory employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits to its employees and its pensioners whose last classified employment was with such Employer. The issue here is whether the Respondent was contractually obligated to provide such benefits to the surviving spouse of an Employee who died after the expiration of the 1978 Wage Agreement when the Respondent did not sign the 1981 Wage Agreement. The United States Court of Appeals for the Fourth Circuit, in Dist. 29 United Mine Workers of America, et. al. v. Royal Coal Co., 768 F. 2d 588, 592 (4th Cir. 1985) and Dist. 17, United Mine Workers of America, et. al. v. Allied Corp., etc., 765 F. 2d 412 (4th Cir. 1985) (en banc), has ruled that an Employer's contractual obligation to provide health benefits does not extend beyond the expiration of the Wage Agreement.

Opinion of the Trustees

Given the controlling language of the applicable Wage Agreement and Plan documents and in light of the Fourth Circuit's recent decisions, the Respondent is not responsible for providing health benefits to the Complainant following the expiration of the 1978 Wage Agreement.