

April 5, 1984

(Opinion issued in letter form; name and address deleted)

Re: Opinion of Trustees
Resolution of Dispute
Case No. 81-408

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 your Request for Resolution of Dispute concerning the provision of health benefits coverage for your daughter under the Employer's Benefit Plan.

According to the information provided, your 19 year old daughter is employed part-time and lives in your household. Evidence submitted, including household receipts and estimates of expenses for the previous twelve (12) months, as well as a statement of your daughter's earnings for the period October 24, 1983 through January 31, 1984, indicates that you provide approximately fifty-three (53) percent of your daughter's support.

Article II D. (2) of the Employer's Benefit Plan stipulates that health benefits coverage shall be provided to unmarried dependent children of an eligible Employee who have not attained age 22. Question and Answer H-2 (81), attached hereto, states, in pertinent part, that a child is considered dependent on an eligible Employee if the Employee provides over fifty (50) percent of the child's support. Support includes, but is not limited to, "the fair rental value of lodging, reasonable cost of board, clothing, miscellaneous household services and education expenditures." According to the evidence submitted, you furnish fifty-three (53) percent of your daughter's support, which satisfies the requirement of dependency.

The Trustees have therefore determined that your Employer is responsible for the provision of health benefits coverage for your daughter, effective October 24, 1983, and continuing for as long as she continues to meet the requirements for dependency as set forth in the Employer's Benefit Plan.

Sincerely,

Harrison Combs, Chairman

John J. O'Connell, Trustee

Paul R. Dean, Trustee

Enclosure

Subject: HEALTH BENEFITS; Dependency Determination, Support

Reference: (508) II C; (74B) II C

Question:

What are the guidelines for determining the eligibility of persons for health benefits as dependents of disabled employees and pensioners?

Answer:

In general, a person is considered dependent on a participant if the participant regularly provides over one-half of the person's support. Support includes the fair rental value of lodging, reasonable cost of board, clothing, miscellaneous household services and education expenditures, excluding scholarships. Support is not limited to necessities.

Support is regular if it is provided on a yearly basis.

Guidelines for determining dependency of family members of participants for health benefit coverage purposes are as follows:

- (1) Spouse: A spouse is considered dependent if living with the participant, regardless of the spouse's income from all sources.

If the spouse is not living with the participant, it must be established that the participant provides over one-half of the spouse's support, as defined above, or is under Court Order to provide over one-half of the spouse's support.

- (2) Unmarried or divorced dependent children who have not attained age 22 (including stepchildren, adopted children and illegitimate children): The children of a participant are considered to be dependent upon the participant if the participant provides over one-half of the children's support, as defined above, or is under Court Order to provide over one-half of the children's support.

- (3) Parents: Parents must have been living as dependents in the same household (residence) as the participant for a continuous period of one year to quality. In determining dependency, income from all sources is considered, including Social Security, Black Lung, and pensions, as well as earnings from employment.

- (4) Unmarried dependent grandchildren who have not attained age 22: The test for dependency is the same as that for other children, as described in paragraph (2) above, except that the grandchildren must be living in the same household (residence) as the participant unless attending school as full-time students.

- (5) Disabled children of any age: The test for dependency is the same as that for other children, as described in paragraph (2) above, except that disabled children who are incapable, because of disability or mental retardation, of living or functioning independently of the parents are eligible, regardless of the amount of support furnished, if such children are either living in the same household (residence) as the participant or are confined to an institution for care or treatment.