

OPINION OF TRUSTEES

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In Re

Complainants: Pensioners  
Respondent: Employer  
ROD Case No: 81-468 - June 25, 1984

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 responsibility for the provision of benefits coverage for Pensioners by the Employer under the terms of the Employer's Benefit Plan. The Trustees hereby render their opinion on the matter.

Background Facts

The Complainants' last signatory classified employment was with the Respondent prior to their respective lay-offs in April 1983. All of the Complainants' applications for pension benefits from the UMWA 1974 Pension Plan were approved with effective dates ranging from April 1 through September 1, 1983.

The Respondent has provided benefits coverage for the Complainants based on their hours worked during the 24 consecutive calendar month period immediately prior to their dates last worked. It has refused to provide benefits coverage for the Complainants after their periods of eligibility for benefits coverage expired under Article III D. (1) (a). The Respondent is, however, providing benefits coverage for its Pensioners who qualified for a pension prior to the closure of its mine.

Dispute

Is the Respondent responsible for the provision of benefits coverage for Pensioners who were on lay-off status at the time of retirement and whose last signatory classified employment was with the Respondent?

Positions of the Parties

Position of the Complainants: The Respondent is not acting in conformity with Article XX of the Wage Agreement and is liable for the provision of benefits coverage or miners last employed by it and who have been found eligible and are receiving pension benefits under the provisions of the UMWA 1974 Pension Plan.

Position of the Respondent: Article III D. (1) (a) limits the broad provisions of Article II B. (1), and Employees who were on lay-off status prior to retirement are eligible for continuation of health, life and accidental death and dismemberment insurance coverage only for a maximum period of the balance of the month last worked plus a maximum of twelve months.

Pertinent Provisions

Article I (1), (2) and (5) of the Employer's 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 1981, 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.
- (5) "Pensioner" shall mean any person who is receiving a pension, other than (i) a deferred vested pension based on less than 20 years of credited service or, (ii) 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, under the 1974 Pension Plan (or any successor thereto), whose last classified signatory employment was with the Employer, subject to the provisions of Article II B of this Plan.

Article II B. (1) (a) and (b) of the Employer's Benefit Plan provide:

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 Pensioners as follows:

- (1) Any Pensioner who is not again employed in classified signatory employment subsequent to
  - (a) such Pensioner's initial date of retirement under the 1974 Pension Plan, and under, and subject to all other provisions of this Plan. Notwithstanding (i) and (ii) of the definition of Pensioner in Article I (5) of this Plan, 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.

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

### III - Benefits

#### D. General Provisions

##### 1. Continuation of Coverage

###### (a) Layoff

If an Employee ceases work because of layoff, continuation of health, life and accidental death and dismemberment insurance coverage is as follows:

<u>Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Period of Coverage Continuation Worked</u>	<u>From Date Last Worked</u>
2,000 or more hours	Balance of month plus 12 months
500 or more but less than 2,000 hours	Balance of month plus 6 months
Less than 500 hours	30 days

### Discussion

The Respondent claims that Article III D. (1) of the Employer's Benefit Plan limits the broad provisions of Article II B. and thereby relieves it of any responsibility for the provision of benefits coverage to individuals who became eligible for UMWA 1974 Pension Plan pensions after the date on which they were laid off by the Respondent. Article III D. (1) provides for the continuation of benefits coverage for laid-off Employees and does not govern Pensioners' eligibility for benefits coverage.

Article II B. governs the provision of benefits coverage for Pensioners. Commencing with the time an individual begins "receiving a pension" (other than under those conditions specifically excluded), he becomes, by definition, a Pensioner whose benefits coverage is governed by the provisions of Article II B. The words "subject to all other provisions of this Plan" in Article II B.(1)(b) refer to provisions relevant to Pensioners' eligibility for benefits. Because Article III D. (1) refers only to Employees' eligibility, it is not relevant to Pensioners' eligibility. Inasmuch as the Complainants are UMWA 1974 Pension Plan Pensioner who meet the conditions of eligibility as set forth in Article II B., the Respondent is responsible for the provision of benefits coverage commencing with such Pensioners' pension effective dates.

#### Opinion of the Trustees

The Respondent is responsible for the provision of benefits coverage for the Complainants and their eligible dependents as provided under Article II B. of the Employer's Benefit Plan.