

OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 81-481 - August 31, 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 provision of health benefits coverage for a surviving spouse by the Employer under the terms of the Employer's Benefit Plan and hereby render their opinion on the matter.

Background Facts

The Complainant's late husband last worked for the Employer on May 17, 1983, when he ceased his employment due to illness. The Employee had worked 1,489 1/4 classified hours for the Employer during the 24 consecutive calendar month period immediately prior to his date last worked. He received Sickness and Accident benefits for 39 weeks, based on his 13 years of service with the Employer. The Employer claims that, through error, benefits coverage was provided for the Employee through May 31, 1984.

The Employee died on June 1, 1984, one day after his benefits coverage terminated. The Employer has agreed to provide payment of the life insurance award. The Complainant is not eligible to receive a Surviving Spouse's benefit.

The Complainant's representative contends that health benefits coverage should be provided for her by the Employer. The Employer has not provided the requested health benefits coverage.

Dispute

Is the Employer responsible for the provision of health benefits coverage for the Complainant after May 31, 1984?

Positions of the Parties

Position of the Complainant's Representative: The Complainant is eligible for the life insurance benefit, and, therefore, she should be eligible for health benefits coverage.

Position of the Respondent: Because the Employee's death occurred following the expiration of his period of eligibility for continuation of health benefits coverage, the Complainant is not eligible for health benefits coverage from the Respondent. In addition, the Complainant was not eligible to receive the life insurance benefit under the provisions of the Benefit Plan. The decision to pay the life insurance benefit was based on the belief that the Employee died during the 31-day conversion period and would have exercised his option to convert to individual life insurance coverage.

Pertinent References

Article I. (1), (2), (4) and (7) 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.
- (7) "Dependent" shall mean any person described in Section D of Article II hereof.

Article II. C(3), and E(3) 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:

C. Disabled Employees

In addition to disabled Pensioners who are receiving pension benefits and are therefore entitled to receive health benefits under paragraph B of the Article II, health benefits under Article III shall also be provided to any Employee who:

- (3) Is receiving or would, upon proper application, be eligible to receive Sickness and Accident Benefits pursuant to the Wage Agreement.

Life and accidental death and dismemberment insurance shall also be provided to Employees described in (3) above.

E. Surviving Spouse and Dependents of Deceased Employees or Pensioners
Health benefits under Article III shall be provided to (i) any unmarried surviving spouse (who was living with or being supported by the Employee or Pensioner immediately prior to the Employee's or Pensioner's death) 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...(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 for 22 months following the month of death of such Pensioner. If life insurance benefits are not payable, health benefits shall be provided only to the end of the month in which the Employee or Pensioner died...

Article III D (1) (a) and (b) provide:

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:

Number of Hours Worked for
the Employer in the 24
Consecutive Calendar Month
Period Immediately Prior to
the Employee's Date
Last Worked

Period of Coverage
Continuation from the
Date Last Worked

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

(b) Disability

Except as otherwise provided in Article II, section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, life and accidental death and dismemberment coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period as set forth in the schedule in (a) above.

Discussion

The Complainant claims that she is entitled to health benefits coverage from the Respondent as the surviving spouse of a disabled miner. Her claim is based, in part, on the Respondent's agreement to pay life insurance benefits.

The Respondent claims that the Complainant is not entitled to coverage because the Respondent's husband died after the expiration of his eligibility for health benefits coverage. The Respondent also claims that its decision to pay the life insurance benefits was based on the assumption that the Respondent's husband died within the thirty-one day conversion period during which time he could have exercised his option to convert to individual life insurance coverage.

Inasmuch as the Respondent has agreed to pay the Complainant \$25,000 in life insurance benefits, that issue is not in dispute and will not be addressed in this opinion.

The primary issue in dispute relates to the Complainant's claim for health benefits coverage. Article III D (1) (b) of the Employer's Benefit Plan provides benefits coverage to Employees who cease work due to disability for the greater of the periods based on his hours worked in the twenty-four consecutive months immediately prior to his date last worked or the period of his entitlement to Sickness and Accident (S&A) benefits. The deceased last worked on May 17, 1983 at which time he ceased working due to illness. In the twenty-four consecutive months immediately prior to that date he worked a total of 14891/4 hours for the Respondent. Based on these hours he was entitled to continuation of coverage for the balance of the month of May 1983 plus six months, or through November 30, 1983. As an Employee with thirteen (13) years of service, however, his entitlement to S&A benefits was for a period of thirty-nine (39) weeks or through March 1984.

Article II E (3) provides benefits coverage for an unmarried surviving spouse (who is living with or being supported by the Employee immediately prior to the Employee's death), of an Employee who died "[a]t a time when such Employee ... is entitled to receive health benefits pursuant to paragraph A, B or C of this Article II ..." Inasmuch as the Complainant's husband's period of eligibility terminated in March 1984 he was not "eligible to receive health benefits" at the time of his death. The Complainant, therefore, is not eligible for benefits coverage.

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The fact that the Respondent provided benefits coverage for the Complainant's husband through May 31, 1984 does not alter the outcome in this instance since his date of death was June 1, 1984, outside the period of such coverage.

Opinion of the Trustees

Because the Complainant died after the termination of his period of eligibility for continuation of health benefit coverage, the Respondent is not responsible for provision of benefits coverage to the Complainant.