
OPINION OF TRUSTEES

In Re

Complainant: Widow of Employee
Respondent: Employer
ROD Case No: 81-520 - January 28, 1985

Board of Trustees: Harrison Combs, Chairman; Paul R. Dean, Trustee; Joseph P. Brennan, Trustee; and William Miller, 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 above referenced Request for Resolution of Dispute concerning the provision of health benefits coverage for the widow of a deceased miner.

Background Facts

The Complainant's late husband was hired by the Respondent on May 3, 1972, and continued in classified employment through May 10, 1980, when he ceased work due to a non-work related disability. During the twenty-four consecutive calendar month period immediately prior to his date last worked he had worked more than 500 but less than 2,000 hours for the Respondent.

Following his date last worked he continued to receive benefits coverage from the Respondent through May 31, 1981.

On July 1, 1981, he signed a statement voluntarily terminating his employment with the Respondent due to "health and sickness." On April 14, 1982, the Complainant's husband died as a result of cancer of the liver and pancreas. Following his death the Complainant requested continuation of benefits coverage from the Respondent for a period of sixty (60) months on the basis that her husband was still employed by the Respondent at the time of his death. The request was denied by the Respondent.

Dispute

Is the Respondent responsible for providing health benefits coverage for the Complainant as a surviving spouse for a sixty month period?

Position of the Parties

Position of Complainant: The Complainant submits that she is entitled to health benefits coverage for a period of 60 months after her husband's death.

Position of the Respondent: The Complainant's husband was technically entitled to benefits coverage only through November 30, 1980, based on hours worked. However, due to a clerical error, he received the maximum period of benefits continuation provided under the Plan but was not eligible for benefits coverage at the time of his death. Furthermore, he had voluntarily terminated his employment on July 1, 1981. Therefore, the Complainant is not eligible to receive a life insurance benefit or the sixty (60) month extension of health benefits.

Pertinent Plan Provisions

Article II. E. of the Employer's Benefit Plan (Employer's Plan) provides:

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:

- (1) as a result of a mine accident occurring on or after the effective date of the Plan while the Employee was working in a classified job with the Employer;
- (2) under conditions which qualify such spouse for a Surviving Spouse benefit under the 1974 Pension Plan or any successor thereto; or
- (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 (i) if such Employee or Pensioner died prior to the effective date of the Wage Agreement and the Spouse is not eligible for a Surviving Spouse's benefit, then only for the period that the spouse is eligible to receive death benefits in installment payments pursuant to paragraph C of Article III, or (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 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.

Article III D (1) (a) and (b) of the Employer's Plan 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.

(d) Maximum Continuation of Coverage

In no event shall any combination of the provisions of (a), (b), (c) or (g) above result in continuation of coverage beyond the balance of the month plus 12 months from the date last worked.

Discussion

Article II E of the Employer's Plan sets forth three alternative circumstances under which a surviving spouse may qualify for health benefits coverage. In this case the Complainant cannot

be considered for coverage under the first alternative because her husband's death was not the result of a mine accident. Similarly, she is precluded from coverage under the second alternative because her husband was not receiving, nor has any evidence been offered demonstrating that he was eligible to receive pension benefits under the UMWA 1974 Pension Plan at the time of his death.

Under the third alternative, in Article II E (3), coverage is provided to a surviving spouse of an Employee who died at a time when he was "entitled to receive health benefits...." As an active Employee who ceased work due to illness the period of benefit coverage to which the Complainant's husband was entitled is governed by Article III D (1). Under this provision, an Employee who ceases work because of disability is entitled to the greater of the periods to which (1) he would have been entitled to Sickness and Accident (S&A) benefits; or (2) he would have been entitled to benefits as a laid-off miner, based on the number of hours he worked for the Employer in the twenty-four consecutive months immediately prior to his date last worked.

The Complainant's late husband was eligible for a maximum of twenty-six weeks of S&A benefits based on eight years of service with the Respondent, or the remainder of the month in which he last worked plus six months based on his hours worked during the relevant period. Applying the rules of Article III D (1) (b) his maximum entitlement for benefits coverage extended through November 30, 1980. At the time of his death on April 14, 1982, the Complainant's husband was no longer "entitled to receive health benefits." Consequently, the Complainant does not meet the eligibility requirements for benefits coverage under the third alternative as specified in Article II E (3).

Opinion of the Trustees

The Respondent is not responsible for providing health benefits coverage for the Complainant beyond that which has already been provided.