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OPINION OF TRUSTEES

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In Re

Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 81-521 - January 28, 1985

Board of Trustees: Harrison Combs, Chairman; Joseph P. Brennan, Trustee;  
William Miller, 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 an Employer's responsibility for the provision of benefits coverage for Pensioners under the terms of the Employer's Benefit Plan. The Trustees hereby render their opinion on the matter.

Background Facts

The Complainant was employed by the Respondent prior to being laid off on June 4, 1982. Upon exhausting his unemployment benefits, he filed an application for Pension with the UMWA 1974 Pension Plan. He was approved for an age 55 pension, based on at least 20 years of coal industry service, on April 6, 1984, effective July 1, 1983.

In February, 1984, the Complainant was hospitalized. The Respondent has refused to provide health benefits for this hospitalization, claiming that the Complainant was only entitled to 6 months of benefits coverage following his lay off (up to and including December 31, 1982.) Respondent also contends that its responsibility for the Complainant as a Pensioner commences on April 1, 1984, the date it received notification of the Complainant's pension eligibility.

Dispute

Is the Respondent responsible for the provision of benefits coverage for the Complainant from July 1, 1983, to April 1, 1984?

Position of the Parties

Position of the Complainant: The Respondent is liable for the provision of benefits coverage for miners last employed by it and who have been found eligible for Pension benefits under the UMWA 1974 Pension Plan.

Position of the Respondent: The Complainant is entitled to 6 months of benefits coverage following his lay off (up to and including December 31, 1982) and its responsibility to him as a Pensioner commences on April 1, 1984.

#### Pertinent Provisions

Article I (3), (4) 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.
- (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. (3) of the Employer's Benefit Plan provides:

#### 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
  - (b) June 7, 1981

shall be eligible for coverage as a Pensioner 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:

Article 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 Worked</u> | <u>Period of Coverage Continuation from the Date Last Worked</u> |
|---|--|
| 2,000 or more hours   | Balance of month plus 12 months                                  |
| 500 or more but less than 2000 hours  | Balance of month plus 6 months                                   |
| Less than 500 hours   | 30 days  |

Discussion

The Complainant was laid off from employment on June 4, 1982. During the first six months following this date, the Respondent provided benefits coverage to the Complainant based on hours worked during the 24 month period preceding his lay off, as required by Article III D. (1) (a) of the Employer's Benefit Plan.

Although the Respondent provided benefits coverage for the Complainant up to and including December 31, 1982, it denies responsibility for coverage from July 1, 1983 to April 1, 1984.

Regulations governing the determination of eligibility for a pension and the relevant pension effective dates are set forth in the UMWA 1974 Pension Plan. Although the pension effective date in this case was retroactive to July 1, 1983, the record shows that the Respondent was provided with notice of the Complainant's eligibility at the time of the decision, consistent with standard Funds procedure.

Benefits coverage for Pensioners is governed by the provisions of Article II B. of the Employer Benefit Plan. The Complainant became a Pensioner as defined in Article I (5) of the Employer Plans effective July 1, 1983. Therefore, in accordance with Article II B. (1), the Complainant is entitled to Health benefits and life insurance under Article III.

Consequently, the Respondent's obligation to provide benefits coverage commenced on July 1, 1983.

Opinion of the Trustees

The Respondent is responsible for the provision of benefits coverage for the Complainant as a Pensioner, effective July 1, 1983.