
OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 81-611 - June 24, 1985

Board of Trustees: Joseph Connors, Sr., Chairman; Paul R. Dean, Trustee; William B. Jordan, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., 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 Benefit Plan. They hereby render their opinion on this matter.

Background Facts

The Complainant's husband performed classified work for the Respondent from May 1977 to June 15, 1978, at which time he applied for and received a pension under the 1974 Pension Plan. On January 10, 1982, he died and the Complainant applied for and received a Surviving Spouse pension effective February 1982.

The Complainant states that the Respondent provided her with health benefits coverage to December 31, 1983, but it has refused her coverage since that date. The Respondent maintains that the Complainant's husband worked for the company for only 149 days and that it has fulfilled its responsibility by providing the Complainant with 5 years of health benefits coverage since her husband's retirement. The Respondent has stated that it has paid out over \$15,000 for insurance coverage for the Complainant and that it believes any further benefits coverage should be the obligation of the union.

The Complainant has asked that the Trustees decide the issue of the Respondent's responsibility for providing her with benefits coverage through September 30, 1984.

Dispute

Is the Respondent responsible for providing health benefits coverage for the Complainant from December 31, 1983 through September 30,, 1984?

Positions of the Parties

Position of the Complainant: The Complainant asks, whether the Respondent is responsible for providing her health benefits coverage from December 31, 1983 through September 30, 1984.

Position of the Respondent: The Respondent has fulfilled its responsibility by providing the Complainant with 5 years of benefits coverage since her husband's retirement in 1978, based on her husband's limited service with the Respondent.

Pertinent Provisions

Article XX Section (c) (3)(i) of the National Bituminous Coal Wage Agreement of 1981 provides:

Article XX - Health and Retirement Benefits

Section (c) 1974 Plans and Trusts

(3)(i) Each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement as well as pensioners, under the 1974 Pension Plan and Trust, whose last signatory classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans.

Article I (1), (2) (5) and (6) of the Employer 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.
- (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.
- (6) "Beneficiary" shall mean any person who is eligible pursuant to the Plan to receive health benefits as set forth in Article III hereof.

Article II E. (2) and (3) of the Employer Benefit Plan provide:

Article II - Eligibility

E. Surviving Spouse and Dependents of Deceased Employee 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:

(2) Under conditions which qualify such spouse for a Surviving Spouse benefit under the 1974 Pension Plan or any successor thereto;

...Health benefits shall continue for a surviving spouse until the remarriage of such spouse, but if such spouse is entitled to such benefits under paragraph (3) above, such health benefits will continue not longer than for the period specified in paragraph (3) above. Health benefits shall not be provided during any month in which such surviving spouse is regularly employed at an earnings rate equivalent to at least \$500 per month....

Discussion

Under Article XX, Section (c) (3)(i) of the 1981 Coal Wage Agreement, health and other non-pension benefits are provided for Pensioners under the 1974 Pension Plan by the Participant's last signatory Employer. Additionally, Article II E. (2) and (3) of the Employer Plan specifies that unmarried surviving spouses of Pensioners shall be provided with health benefits until the remarriage of such spouse. Health benefits shall not be provided during any month in which such surviving spouse is regularly employed at an earnings rate equivalent to at least \$500 per month.

The respondent claims to have met its obligation to the Complainant, citing the amount paid out in premiums and her husband's relatively short period of employment. However, the Plan places no limitations on length of service with an Employer prior to a Pensioner's date of initial retirement with respect to an Employer's obligation to provide benefits, nor does it contain any provision for termination of coverage to eligible beneficiaries upon payment of a specified or unspecified level of premiums.

Consequently, the Trustees conclude that the Respondent is responsible for provision of the Complainant's health benefits coverage as a surviving spouse Pensioner pursuant to Article II E (2) of the Employer Benefit Plan.

Opinion of the Trustees

It is the opinion of the Trustees that the Respondent is responsible for the provision of health benefits coverage for the Complainant as a surviving spouse Pensioner pursuant to Article II E (2) of the Employer Benefit Plan.