

OPINION OF TRUSTEES

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In Re

Complainant: Surviving Spouse  
Respondent: Employer  
ROD Case No: 81-629 - August 25, 1986

Board of Trustees: Joseph P. 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 death benefits for the surviving spouse of a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is the widow of a Pensioner last employed in the bituminous coal Industry by the Respondent. The Pensioner was awarded a 1974 Plan Age 55 Retirement Pension, effective August 1, 1978. The Pensioner died on March 18, 1985, and the Complainant was subsequently awarded a 1974 Plan Surviving Spouse Benefit.

The Respondent signed the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981, which expired on September 30, 1984, and entered independent negotiations for a successor agreement with the United Mine Workers of America (UMWA) in August 1984. The Respondent reports that during the initial negotiations it agreed to continue providing health and non-pension benefits beyond the expiration of the 1981 Wage Agreement for Pensioners last employed by the Respondent, provided that the UMWA did not strike the Respondent's operations. On October 22, 1984 the UMWA selectively struck the Respondent's operations. The Respondent ceased providing health and non-pension benefits after October 31, 1984.

The Respondent and UMWA representatives continued negotiations and signed the 1984 Wage Agreement on March 20, 1985, whereby Respondent would provide health and non-pension benefits to Pensioners effective April 1, 1985. In a Memorandum of Understanding, the Respondent also agreed to establish an escrow account to be used to provide Its Employees with health benefits for claims incurred for services during the strike period.

The Respondent contends that during the strike period, from November 1, 1984 to April 1, 1985, when no Wage Agreement was in effect, it had no obligation under the Employer benefit Plan to provide health and non-pension benefits to Pensioners. The Respondent claims that during this period such benefits were the responsibility of the UMWA Strike Fund. Because the husband of the Complainant died on March 18, 1985, shortly before the 1984 Wage Agreement was signed, the Respondent denies responsibility for providing a life insurance benefit to the Complainant.

### Dispute

Whether the Respondent is responsible for providing a life insurance benefit to the Complainant following the expiration of the 1981 Wage Agreement and before the effective date of the 1984 Wage Agreement.

### Positions of the Parties

Position of the Complainant: The Respondent is responsible for the provision of a life Insurance benefit to the Complainant.

Position of the Respondent: Respondent is not responsible for the provision of a life Insurance benefit to the Complainant, because the Pensioner's death occurred during a period not covered by the Wage Agreement.

### Pertinent Provisions

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

(3) (1) 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. Such plans shall also include that each signatory Employer continue to make to death benefit payments in pay status as of December 5, 1977, for deceased Employees and pensioners under the 1974 Pension Plan whose last signatory classified employment was with such Employer, in the same manner and in the same amounts as previously provided for in the 1974 Benefit Plan and Trust. The plans established pursuant to this subsection are incorporated by reference and made a part of this Agreement, and the terms and conditions under which the health and other non-pension benefits will be provided under such plans are as to be set forth in such plans.

Article I (1), (2), (4) and (5) of the Employer Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (Employer's Name).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1983, 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 & 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) of the Employer Benefit Plan provides:

Article II - Eligibility

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 B (2) of the Employer Benefit Plan provides:

B. Life and Accidental Death and Dismemberment Insurance

(2) Pensioners

Upon the death of a Pensioner as described in Article II, Section B, life insurance shall be paid in a lump sum to the Pensioner's named Beneficiary in the following amounts:

- (a) \$2,500 If such Pensioner had dependents at the time of death, or
- (b) \$2,000 if such Pensioner did not have dependents at the time of death.

Discussion

Article XX(c)(3)(i) of the 1981 Wage Agreement requires a signatory employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its pensioners and their eligible dependents. The Respondent provided such benefits to the Pensioner and Complainant through the term of the 1981 Wage Agreement and during the first month of negotiations after the expiration of the 1981 Wage Agreement.

The issue in this case is whether the Employer's obligation to provide health and non-pension benefits under the Employer Benefit Plan extends beyond the expiration of the 1981 Wage Agreement. The United States Court of Appeals for the Fourth Circuit, in Dist. 29, United Mine Workers of America, et. al. v. Royal Coal Co., 768 F. 2d 588, 592 (4th Cir. 1985) and Dist. 17, United Mine Workers of America, et. al. v. Allied Corp., etc., 765 F. 2d 412, 417 (4th Cir. 1985) (en banc), has ruled that an Employer's contractual obligation to provide health and other non-pension benefits to its pensioners does not extend beyond the expiration of the Wage Agreement.

Opinion of the Trustees

The Respondent is not responsible for providing a life insurance benefit to the Complainant during the period when no Wage Agreement was in effect.