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OPINION OF TRUSTEES

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In Re

Complainant: Employee  
Respondent: Employer  
ROD Case No: 81-638 - October 1, 1985

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 the provision of health benefits coverage for the dependent of a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was employed in a classified position for the Respondent from July 5, 1967 to May 31, 1978 and from March 1, 1981 until his retirement on May 16, 1984. Prior to his retirement, the Complainant applied for a UMWA 1974 Pension Plan service pension on August 17, 1983. On December 13, 1984, the Complainant was advised by letter that the Funds had reviewed his work history and, on the basis of his fifteen and one-half (15- years of service and his attainment of age 55, it had been determined that he was eligible for an Age 55 Retirement pension from the Funds, retroactive to June 1, 1984.

The Complainant has submitted medical charges, totalling approximately \$3,135, incurred by his wife for back surgery performed on August 22, 1984. The Complainant's wife had undergone back surgery on two previous occasions, in 1962 and in 1969. The Complainant has submitted a letter from his wife's attending physician stating that the 1984 operation was complicated by, but not related, to the previous spinal fusions of 1962 and 1969.

The Respondent has denied responsibility for the payment of these charges contending that the Complainant was not a pensioner within the meaning of Article XX (10) (i) of the 1981 National Bituminous Coal Wage Agreement and was therefore ineligible for health benefits coverage on August 22, 1984, the date the medical charges in question were incurred. In addition, the Respondent contends that it is not responsible for payment of these charges because this most recent surgery was directly related to the operation performed in 1962, which was before the Complainant was employed by the Respondent.

Dispute

Is the Respondent responsible for payment of the charges incurred by the Complainant's wife for back surgery performed on August 22, 1984?

Position of the Parties

Position of the Complainant: The Respondent is responsible for payment of the charges incurred by the Complainant's wife on August 22, 1984.

Position of the Respondent: The Respondent is not responsible for the payment of the charges incurred by the Complainant's wife on August 22, 1984 because the Complainant himself does not qualify for health benefits coverage as a Pensioner under Article XX (10) (i) of the Wage Agreement and because the services rendered are related to a condition which existed prior to the Complainant's employment with the Respondent.

Pertinent Provisions

Article II. A. of the 1974 Pension Plan provides:

A. Age 55 Retirement

Any participant who (a) has at least 10 years of signatory service or at least twenty years of credited service, including the required amount of signatory service as set forth in Article IV(C)(6), and (b) has attained the age 55 years (but not the age of 62) prior to retirement shall be eligible to retire on or after June 7, 1981, and shall upon his retirement (hereinafter "Age 55 Retirement") De eligible for a pension.

Articles I (1), (2) and (5) of the 1981 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.

Article II B. (1) (a) and (b) of the Employer Benefit Plan provide:

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 II D. (1) of the Employer Benefit Plan provides:

Article II - Eligibility

D. Eligible Dependents

Health benefits under Article III shall be provided to the following members of the family of any Employee, Pensioner, or disabled Employee receiving health benefits pursuant to paragraphs A, B, or C of this Article II;

(1) A spouse who is living with or being supported by an eligible Employee or Pensioner.

Article XX (10) (i) of the 1981 National Bituminous Coal Wage Agreement provides:

Article XX - Health and Retirement Benefits

(10) Health Care

(i) Deferred vested pensioners with less than 20 years of service under the 1974 Pension Plan and miners who will receive a pension with less than 20 years of service under the 1950 Pension Plan are ineligible for health care. Disability pensioners under both the 1950 and 1974 Pension Plans will continue to receive their Health Services card.

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

Article XX Health and Retirement Benefits

(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.

Discussion

Article II B. of the Employer Benefit Plan establishes that an individual who is eligible for pension benefits under the UMWA 1974 Pension Plan is eligible for benefits coverage under the Employer Benefit Plan. Article II D. of the 1981 Employer Benefit Plan further establishes that a spouse who is living with or being supported by a pensioner is also eligible for health benefits coverage. Inasmuch as the Complainant was awarded a UMWA 1974 Pension Plan service pension on December 13, 1984, retroactive to June 1, 1984, the Complainant satisfied the eligibility requirements as of June 1, 1984 for benefits coverage under Article II B of the Employer Benefit Plan. Accordingly, the Complainant's wife also became eligible for health benefits coverage, pursuant to Article II D of the Employer Benefit Plan, on June 1, 1984.

The Respondent denies responsibility for the payment of the medical charges incurred by the Complainant's wife on August 22, 1984 because the Complainant is receiving a 1974 Plan pension based on less than 20 years of service. It claims that the Complainant and his eligible dependents are therefore precluded from health benefits coverage under Article XX (10) (i) of the 1981 National Bituminous Coal Wage Agreement. Under the provisions of this Article, health benefits coverage is precluded only for a pensioner who is receiving a UMWA 1974 Pension Plan Deferred Vested pension based upon less than twenty (20) years of service. Because the Complainant is receiving an Age 55 Retirement pension, and not a Deferred Vested pension based upon less than twenty (20) years of service, the Complainant satisfies the benefits coverage eligibility requirements of Article II B of the Employer Benefit Plan.

The Respondent also contends that the instructional information provided by its Insurance Carrier clearly states that expenses incurred as the result of a physical condition which existed prior to the Complainant's employment with the Respondent will be excluded from benefits coverage. Article XX (C) (3) (i) of the 1981 National Bituminous Coal Wage Agreement states that "the benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this agreement by the Employer at levels set forth in such plans." Inpatient hospital charges and physician's fees which are incurred by the eligible dependent of a Pensioner are covered expenses under the 1981 Employer Benefit Plan without restrictions for pre-existing conditions. Therefore, inasmuch as the Complainant and his spouse satisfy the eligibility requirements for health benefits coverage under the 1981 Employer Benefit Plan, and the medical charges in question are covered under the Plan, the Respondent is responsible for the payment of these charges.

Opinion of the Trustees

The Respondent is responsible for payment of the medical charges incurred by the Complainant's wife on August 22, 1984.