

OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 81-660 - December 18, 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 the level of health benefits coverage for a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant began working for the Respondent in a classified position in December of 1979. On October 6, 1982, the Complainant sustained a compensable injury for which both Worker's Compensation and Social Security Disability Insurance benefits were awarded.

On March 10, 1985, the Complainant filed an application for pension benefits under the UMWA 1974 Pension Plan. The Complainant was notified by letter on October 3, 1985 that the Funds had determined that the Complainant was eligible to receive a UMWA 1974 Pension Plan Disability Pension, effective November 1, 1982. At this time, the Complainant was advised to contact his last signatory employer, the Respondent, concerning his eligibility for health benefits coverage.

The Complainant has stated that the Respondent cancelled his health benefits coverage effective October 31, 1983. The Complainant subsequently obtained private insurance coverage and has submitted copies of checks for premiums paid for the period of October, 1983 through August, 1985. The Complainant has also submitted copies of prescription charges incurred during this period. Inasmuch as the Respondent reinstated the Complainant's health benefits coverage effective September 1, 1985, the Complainant has asked that the Respondent be responsible for reimbursement of medical charges incurred, and premiums paid for private coverage, during the period of November 1, 1983 through August 31, 1985. The Respondent has denied responsibility for the provision of health benefits coverage prior to September 1, 1985, the date

the Respondent was notified of the approval of the Complainant's Social Security Disability Insurance benefits.

Dispute

Is the Respondent responsible for the provision of health benefits coverage and for the reimbursement of premiums paid by the Complainant during the period November 1, 1983 through August 31, 1985?

Position of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage and for the reimbursement of premiums paid during the period November 1, 1983 through August 31, 1985.

Position of the Respondent: The Respondent is not responsible for the provision of health benefits coverage from November 1, 1983 through August 31, 1985 and is not responsible for the reimbursement of premiums paid for private coverage during this period.

Pertinent Provisions

Articles I (1), (2) and (5) 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 & 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 provisions of Article II B of this Plan.

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

Article II - Eligibility

B. Pensioners

Health 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.

Discussion

Article I (5) of the Employer Benefit Plan defines a Pensioner as any person who is receiving a pension other than a deferred vested pension based on less than twenty (20) years of credited service. Article II B. (1) of the Employer Benefit Plan provides health benefits coverage for eligible Pensioners who receive pension benefits under the UMWA 1974 Pension Plan. Inasmuch as the Complainant is receiving a disability pension under the UMWA 1974 Pension Plan, the Complainant satisfies the definition of Pensioner as set forth in Article I (5) and is therefore eligible to receive health benefits coverage under Article II B. (1) of the Employer Benefit Plan.

The issue of whether a Respondent's responsibility for the provision of health benefits coverage for a Pensioner commences on the effective date of the pension or on the date the Respondent receives notification of the Complainant's pension eligibility has previously been addressed by the Trustees in ROD 81-521 (enclosed herein). In their decision, the Trustees concluded that the Respondent's obligation to provide health benefits coverage commences on the date the Complainant satisfied the criteria for receipt of pension benefits. Therefore, the Respondent is responsible for the provision of health benefits coverage for the Complainant as a Pensioner effective November 1, 1982.

The issue of a Respondent's obligation to reimburse a Complainant for premiums paid to purchase private health coverage during a period of eligibility has also previously been addressed by the Trustees in ROD 81-640 (enclosed herein). In their decision, the Trustees concluded that the Employer's obligation is limited to reimbursing an Employee for medical charges which are covered under the Employer Benefit Plan and which are incurred while the Employee is eligible for health benefits coverage under the Employee Benefit Plan. Furthermore, the Trustees concluded that the 1981 National Bituminous Coal Wage Agreement contains no specific provisions requiring the Employer to reimburse Employees for private health insurance premiums they pay during a period for which the Employer is responsible for providing coverage pursuant to the Employer Benefit Plan. Therefore, although the Respondent is responsible for

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coverage of claims incurred, the Respondent is not responsible for the reimbursement of premiums for private coverage paid by the Complainant from November 1, 1983 through August 31, 1985.

Opinion of the Trustees

The Respondent is responsible for the provision of health benefits coverage for the Complainant as a Pensioner effective November 1, 1982. The Respondent is not, however, responsible for the reimbursement of premiums paid by the Complainant for private health coverage from November 1, 1983 through August 31, 1985.