

OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 81-690 - October 15, 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 provision of health benefits coverage for a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is a Pensioner whose last classified signatory job was with the Respondent. The Complainant last worked on March 5, 1977, and was awarded a 1974 Pension Plan disability pension effective April 1, 1978. The Respondent currently provides his health benefits coverage.

The Complainant has submitted medical bills and interest charges for services provided to his wife between April 21, 1981 and May 4, 1981. The Complainant contends that these medical bills were incurred after he became a Pensioner and, therefore, the Respondent is responsible for their payment. The Respondent claims that the bills submitted by the Complainant are for medical services that were performed during a period when an economic strike was being conducted against the Respondent. Consequently, the Respondent denies responsibility for the provision of health services during this period.

The Respondent and UMWA representatives continued negotiations after the expiration of the 1978 Wage Agreement on March 27, 1981 and the 1981 Wage Agreement became effective on June 7, 1981.

Dispute

Is the Respondent responsible for providing health benefits coverage for the Complainant and his eligible dependents from April 21, 1981 through May 4, 1981?

Position of the Parties

Position of the Complainant: The Respondent is responsible for providing his health benefits coverage from April 21, 1981 through May 4, 1981.

Position of the Respondent: The Respondent is not responsible for health benefits coverage for the Complainant during a period of economic strike.

Pertinent Provisions

Article XX(c)(3)(i) of the National Bituminous Coal Wage Agreements of 1978 and 1981 provides:

(3)(i) Except as provided in (ii) below, effective on June 1, 1978 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 each Employer at levels set forth in such plans. Such plans shall also include that each signatory Employer continue to make the 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 will be 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) 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 1978, as amended from time to time and any successor agreement.
- (5) "Pensioner" shall mean any person who is receiving a pension, other than a deferred vested pension based on less than 20 years of credited service, under the United Mine Workers of America 1974 Pension Plan (or any successor thereto) whose last classified employment was with the Employer.

Articles 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 also be provided to any Pensioner who is receiving pension benefits under the 1974 Pension Plan, or any successor thereto, provided that (i) the Pensioner is not receiving 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, or (ii) that the Pensioner is not receiving a deferred vested pension based on less than 20 years of credited service. Notwithstanding (i) and (ii) immediately above, 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. Health benefits shall not be provided for any month in which the Pensioner earns more than \$200.

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); 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 benefits 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 the provision of health benefits for the Complainant during the period when no Wage Agreement was in effect.