

OPINION OF TRUSTEES

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In Re

Complainant: Surviving Spouse  
Respondent: Employer  
ROD Case No: 81-696 - January 9, 1990

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean; Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee; Thomas H. Saggau, 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 under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is the unmarried surviving spouse of an Employee who died on July 16, 1983 as a result of a non-work-related accident. At the time of his death, the miner was actively employed in a classified position by the Respondent. The Respondent was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981, which expired on September 30, 1984. The Respondent ceased operations on September 30, 1984, and did not sign the 1984 Wage Agreement. The Complainant has stated that she was advised by a provider sometime during the summer of 1984 that her health benefits coverage had been terminated. The representative for the Complainant asks who is responsible for providing health benefits coverage for the Complainant and her eleven-year-old dependent daughter.

The Respondent has stated that the Complainant has received all benefits due her in accordance with Article XX of the 1981 Wage Agreement. The Respondent also contends that it is out of business, that it is financially unable to provide health benefits coverage for the Complainant and her dependent, and that such coverage should be provided under the UMWA 1974 Benefit Plan and Trust.

Dispute

Whether the Respondent or the 1974 Benefit Plan and Trust is responsible for providing health benefits coverage to the Complainant and her dependent daughter.

Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent or the 1974 Benefit Plan is responsible for providing health benefits coverage to the Complainant and her dependent daughter.

Position of the Respondent: The Respondent is not responsible for providing health benefits coverage for the Complainant and her dependent daughter following the expiration of the 1981 Wage Agreement. Health benefits coverage should be provided by the UMWA 1974 Benefit Plan and Trust.

#### Pertinent Provisions

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

(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. 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 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) and (4) 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 1981, 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.

Article II A. (1) and E. (3) of the Employer Benefit Plan provide:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

A. Active Employees

Benefits under Article III shall be provided to any Employee who:

- (1) is actively at work\* for the Employer on the effective date of the Wage Agreement;

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\*"Actively at work" includes an Employee of the Employer who was actively at work on March 26, 1981, and who returns to active work with the Employer within two weeks after the effective date of the Wage Agreement.

E. Surviving Spouse and Dependents of Deceased Employees 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:

- (3) At a time when such Employee or Pensioner is entitled to receive health benefits pursuant to paragraph A, B, or C of this Article II, provided that (i) if such Employee or Pensioner died prior to the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit, then only for the period that the spouse is eligible to receive death benefits in installment payments pursuant to paragraph C of Article III, or (ii) if such Employee or Pensioner died on or after the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit and life insurance benefits or death benefits are payable in a lump sum, then only for 60 months following the month of the death of such Employee or only for 22 months following the month of death of such Pensioner. If life insurance benefits are not payable, health benefits shall be provided only to the end of the month in which the Employee or Pensioner died.

Any children who have not attained age 22 shall not be entitled to receive health benefits under this paragraph E if they are employed and living outside the household (residence) of the surviving spouse or the immediate family of the deceased Employee or Pensioner.

Health benefits shall continue for a surviving spouse until 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 a month.

### 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 Employees. The Wage Agreement stipulates that benefits provided pursuant to such Plan shall be guaranteed during the term of the Agreement. Article II E. (3) of the Employer Benefit Plan provides health benefits for the unmarried surviving spouses and the eligible dependents of Employees who died while entitled to receive health benefits pursuant to Article II A, B, or C of the Employer Benefit Plan. Inasmuch as the Complainant is the unmarried surviving spouse of an Employee who died while he was entitled to receive health benefits pursuant to Article II A of the Plan, the Respondent is responsible for providing health benefits coverage for the Complainant and her dependent daughter during the term of the 1981 Wage Agreement.

The issue here is whether the Respondent is contractually obligated to provide such coverage beyond the expiration of the 1981 Wage Agreement when the Respondent did not sign the 1984 Wage Agreement. Under Article II E. of the Employer Benefit Plan, the surviving spouses and dependents of certain Employees and Pensioners are entitled to a specific period of health benefits coverage. The Trustees have previously decided in ROD 81-730 (copy enclosed herein) that the clear and unequivocal language of the Employer Benefit Plan requires an Employer to provide health benefits coverage for the period specified under Article II E. (3) of the Plan, even when that period extends beyond the expiration of a Wage Agreement.

Under Article II E. (3)(ii), the unmarried surviving spouse of an active Employee who died while eligible to receive health benefits pursuant to Article II A., is eligible to receive health benefits for 60 months following the Employee's death if such spouse is not eligible to receive a Surviving Spouse benefit and life insurance benefits are payable in a lump sum. Inasmuch as the Complainant is the unmarried widow of an active Employee who was eligible to receive health benefits at the time of his death, is not eligible to receive a Surviving Spouse benefit, and was eligible for life insurance benefits in a lump sum, she and her dependent daughter are entitled to health benefits coverage from the Respondent for 60 months following the month of the death of her husband. Inasmuch as the Employee died on July 16, 1983, their period of eligibility extended through July 1988, provided they continued to meet the eligibility requirements set forth in Article II E. of the Employer Benefit Plan.

A beneficiary may be eligible for health benefits coverage under the 1974 Benefit Plan if it is determined that the miner's last signatory employer is "no longer in business." Such

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determination is made by the Trustees under established procedures separate from the ROD procedure.

Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage for the Complainant and her dependent daughter through July 1988, in accordance with the provisions of Article II E. (3) of the Employer Benefit Plan.