
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 81-703 - November 24, 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's last classified signatory employment in the coal industry was with the Respondent on January 7, 1972, when the Complainant claims he ceased working due to medical problems related to injuries sustained in a mine accident on December 23, 1970. Funds' records indicate that as a result of that accident, the Complainant received Workmen's Compensation payments over an 80-week period, ending August 16, 1972; pension credit was awarded for the period of January 8, 1972 through April 30, 1972 based on the Complainant's receipt of Workmen's Compensation. The Complainant was appointed to a position with the United Mine Workers of America, District 29, on May 1, 1972. He continued working for the UMWA until December 31, 1985.

The Complainant filed an application for an Age 55 retirement pension under the UMWA 1974 Pension Plan on December 15, 1981. Based on the provisions of the 1974 Pension Plan and on a May 1, 1978 Memorandum of Understanding adopted by the parties to the National Bituminous Coal Wage Agreement, the Complainant was awarded service credit for vesting purposes for his UMWA employment through June 30, 1982. The Complainant was awarded a 1974 Plan pension on July 26, 1982, effective July 1, 1982. On January 29, 1986, after he ceased working for the UMWA, the Complainant was advised to contact his last signatory employer, the Respondent, concerning the provision of his health benefits coverage as a Pensioner.

On February 3, 1986, the Respondent sent a letter to the Complainant indicating that, because he last worked for the Respondent on January 7, 1972, he could not qualify for a 1974 Plan pension; therefore, the Respondent stated it was not responsible for his health benefits coverage. Funds' staff subsequently reviewed the Complainant's pension file, and upheld the award of his 1974 Plan pension on June 4, 1986. The Respondent continues to deny responsibility for the Complainant's health benefits coverage.

Dispute

Is the Complainant entitled to health benefits coverage as a pensioner under the terms of the Employer Benefit Plan?

Position of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage for the Complainant and his eligible dependents under the terms of the Employer Benefit Plan.

Position of the Respondent: Because the Complainant should not be entitled to pension benefits from the 1974 Pension Plan, he is not entitled to health benefits coverage under the terms of the Employer Benefit Plan.

Pertinent Provisions

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 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) and (4) of the Employer Benefit Plan provide:

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.
- (4) Health benefits shall not be provided during any month in which the Pensioner is regularly employed at an earnings rate equivalent to at least \$500 per month.

Discussion

Article II B. of the Employer Benefit Plan establishes that an individual eligible for pension benefits under the UMWA 1974 Pension Plan is eligible for health benefits coverage under the Employer Benefit Plan. The Plan further stipulates that health benefits shall not be provided during any month in which such a pensioner is regularly employed at an earnings rate equivalent to at least \$500 per month.

The Complainant was awarded a 1974 Pension Plan Age 55 Retirement pension on July 26, 1982, effective July 1, 1982. At that time, the Complainant was working for the UMWA. After he retired from UMWA employment on December 31, 1985, the Complainant was advised to contact the Respondent regarding his eligibility for health benefits coverage as a 1974 Plan pensioner. The Respondent refused to provide benefits, challenging the Complainant's right to receive pension benefits under the 1974 Pension Plan. In response, Funds' staff reviewed the evidence contained in the Complainant's record and confirmed that the Complainant is entitled to pension benefits under the 1974 Plan. Inasmuch as the Complainant was awarded an Age 55 Retirement pension from the UMWA 1974 Pension Plan, effective July 1, 1982, he is a

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Pensioner within the meaning of Article II. B. of the Employer Benefit Plan, and, as such, he is entitled to health benefits coverage from his last signatory employer, the Respondent, effective January 1, 1986.

Opinion of the Trustees

The Respondent is responsible for the provision of health benefits coverage for the Complainant and his eligible dependents, effective January 1, 1986.