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OPINION OF TRUSTEES

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In Re

Complainant: Disabled Employee  
Respondent: Employer  
ROD Case No: 81-713 - March 20, 1987

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 disabled Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant last worked in a classified signatory job for the Respondent on December 23, 1983. He was subsequently unable to return to work because of pneumoconiosis and pulmonary emphysema. Funds' records indicate that the Complainant received Sickness and Accident Benefits from January 1, 1984 through January 17, 1984.

The Complainant filed for Social Security Disability Insurance ("SSDI") benefits under Title II of the Social Security Act on February 28, 1984. His application was approved on October 30, 1984, effective January 5, 1984.

On November 9, 1984, the Complainant filed an application for pension benefits under the UMWA 1974 Pension Plan to establish his eligibility for health benefits coverage as a disabled Employee. On September 16, 1985, the Funds acknowledged that when he reached age 55 he would be eligible to receive a pension based on 26-3/4 years of classified service, that he was eligible to receive SSDI benefits, and that he became disabled while in classified employment for a signatory Employer. Accordingly, he was advised that he may be eligible for health benefits coverage from his last Employer.

The Complainant states that the Respondent claims to be out of business and has not provided his health benefits coverage as a disabled Employee. The Complainant asks whether the Respondent is responsible for his health benefits coverage. In the alternative, the Complainant asks whether the 1974 Benefit Plan and Trust might provide such benefits.

The Respondent was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981, which expired on September 30, 1984. The Respondent did not sign the 1984 Wage Agreement. The Respondent has failed to respond to repeated inquiries by Funds' staff requesting its position in this dispute.

### Dispute

Whether the Respondent is responsible for providing health benefits to the Complainant as a disabled Employee.

### Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent or the 1974 Benefit Plan and Trust is responsible for the provision of his health benefits coverage as provided by the Employer Benefit Plan.

Position of the Respondent: The Respondent has not provided its position in this dispute.

### Pertinent Provisions

Article XX Section (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 C. (1) (a), (b), (c) and (d) of the Employer Benefit Plan provide:

#### Article II - Eligibility

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

#### C. Disabled Employees

In addition to disabled Pensioners who are receiving pension benefits and are therefore entitled to receive health benefits under paragraph B of this Article II, health benefits under Article III shall also be provided to any Employee who:

- (1) (a) Has completed 20 years of credited service, including the required number of years of signatory service pursuant to Article IV C. (6) of the 1974 Pension Plan or any corresponding paragraph of any successor thereto, and
- (b) has not attained age 55, and
- (c) became disabled after December 6, 1974 while in classified employment with the Employer, and
- (d) is eligible for Social Security Disability Insurance Benefits under Title II of the Social Security Act or its successor;

Article III D. (1) (a) and (b) of the Employer Benefit Plan provide:

#### Article III - Benefits

#### D. General Provisions

- (1) Continuation of Coverage
  - (a) Layoff

If an Employee ceases work because of layoff, continuation of health, life and accidental death and dismemberment insurance coverage is as follows:

Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month period Immediately prior to the Employee's Date Last Worked	Period of Coverage Continuation from the Date Last Worked
2,000 or more hours	Balance of month plus 12 months
500 or more but less than 2,000 hours	Balance of month plus 6 months
Less than 500 hours	30 days

(b) Disability

Except as otherwise provided in Article II, Section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, life and accidental death and dismemberment insurance coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period as set forth in the schedule in (a) above.

Discussion

Article XX Section (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 to its Employees. The Wage Agreement stipulates that benefits provided by the Employer pursuant to such plans shall be guaranteed during the term of the Agreement.

Article II C. (1) of the Employer Benefit plan provides health benefits coverage to a disabled Employee who has completed at least 20 years of credited service, has not attained age 55, became disabled after December 6, 1974, while in classified employment with the Employer, and is eligible for Social Security Disability Insurance benefits. The Complainant has established 26-3/4 years of credited signatory service and is not yet age 55. He received an SSDI award, effective January 5, 1984, during a period when he was receiving Sickness and Accident benefits from the despondent. This award establishes that he became disabled after December 6, 1974 while in classified employment with the Respondent. Based on these facts, the Complainant satisfies the eligibility requirements for health benefits coverage under Article II C. (1) of the

plan. Accordingly, the Respondent is responsible for providing his health benefits coverage as a disabled Employee effective January 5, 1984.

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. 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) and Dist. 17, United Mine Workers of America et al. v Allied Cor . etc., 765 F. 2d 412, (en banc), as ruled that an Employer's contractual obligation to provide health benefits to its retirees does not extend beyond the expiration of the Wage Agreement. The Complainant has the same eligibility period as a retiree, and his right to benefits is based on the fact that he has accrued the same number of years of service required of a retiree to qualify for benefits. Accordingly, the Complainant should be treated the same way as a retiree under the Employer Benefit Plan.

The Complainant has also asked in the alternative whether coverage might be provided under the 1974 Benefit Plan and Trust. Under that Plan, a beneficiary is entitled to coverage only if it is determined that the beneficiary's last Employer is "no longer in business." Such 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 as a disabled Employee, effective January 5, 1984, through the expiration of the 1981 Wage Agreement on September 30, 1984. Given the `controlling language of the applicable Wage Agreement and Plan documents and in light of the Fourth Circuit's decisions, the Respondent is not responsible for providing health benefits to the Complainant following the expiration of the 1981 Wage Agreement.