
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 81-721 - July 23, 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 Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was employed in a classified job for Horizon Mining Company until February 1982, when that company ceased operations. He attended orientation and training classes for two days in August 1982 at the McInnes Mine operated by Robert Coal Company under a contract with McInnes Coal Mining Company ("McInnes"). Robert Coal Company, the Respondent, was the managing agent for McInnes and signed the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981 for McInnes. The Respondent has stated that operations at the McInnes Mine ceased prior to the expiration of the 1981 Wage Agreement on September 30, 1984, and the Respondent did not sign the 1984 Wage Agreement.

The Complainant was paid by the Respondent for the time he spent in training at the rate of his regular job classification. The Complainant has stated that, following his training, he was unable to return to work in the coal industry due to illness. The Complainant was awarded a UMWA 1974 Pension Plan Deferred Vested Pension Special, effective December 1, 1986, based on twenty-two years of signatory classified service. He was advised to contact his last signatory Employer concerning his eligibility for health benefits coverage as a Pensioner. Funds' records indicate that the Complainant's last hours worked in a classified signatory position were reported by McInnes in August 1982.

The Complainant has stated that the Respondent refuses to provide his health benefits coverage as a Pensioner. The Respondent contends that the Complainant never worked for the Respondent in a regular job classification, and therefore, it is not responsible for providing his health benefits as a Pensioner. The Complainant asks whether the Respondent or his previous

Employer, Horizon Mining Company, is responsible for providing his health benefits coverage as a Pensioner.

Dispute

Whether the Respondent or Horizon Mining Company is responsible for providing health benefits to the Complainant as a Pensioner after the expiration of the 1981 Wage Agreement.

Position of the Parties

Position of the Complainant: The Complainant asks whether the Respondent or Horizon Mining Company is responsible for providing his health benefits as a Pensioner.

Position of the Respondent: The Complainant never worked for the Respondent in a regular job classification. Therefore, the Respondent is not his last signatory Employer and it is not responsible for providing his health benefits as a Pensioner.

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 (5) 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.
- (5) "Pensioner" shall mean any person who is receiving a pension, other than
 - (i) a deferred 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 the provisions of Article II B of this Plan.

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

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 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 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 whose last classified employment was with such Employer. The Employer Benefit

Plan does not specify a minimum period of employment for Pensioners to qualify for coverage. The Trustees have previously concluded in ROD 84-287 (enclosed herein) that certain periods of safety training and retraining which are required under the terms of the Wage Agreement are considered to be active classified employment for health benefits purposes. Inasmuch as the Complainant's last hours worked in the coal industry were spent in a training class conducted by the Respondent, the Respondent is the Complainant's last signatory Employer for health benefits purposes.

The Complainant became a Pensioner under the 1974 Pension Plan on December 1, 1986, after the expiration of the 1981 Wage Agreement. The issue now is whether the Respondent is contractually obligated to provide health benefits coverage after 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 Corp., etc., 765 F. 2d 412, 417 (4th Cir. 1985) (en banc), has ruled that an Employer's contractual obligation to provide health benefits to its Pensioners does not extend beyond the expiration of the Wage Agreement.

Opinion of the Trustees

Under 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 who became a Pensioner after the expiration of the 1981 Wage Agreement.