

OPINION OF TRUSTEES

In Re

Complainant: Disabled Employee
Respondent: Employer
ROD Case No: 81-727 - December 10, 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 benefits coverage for a disabled Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant, who is 44 years of age, last worked in a classified position for the Respondent on December 3, 1981. The Respondent was signatory to the 1981 and 1984 National Bituminous Coal Wage Agreements ("Wage Agreement"). Information received by the Funds indicates that the Respondent corporation sold a substantial portion of its stock to Buccaneer Coal Co. on April 7, 1986. Buccaneer Coal Co. is not a signatory to the 1984 Coal Wage Agreement.

The Complainant, who had a total of twenty (20) years of credited service, was awarded Social Security Disability Insurance benefits effective June 1, 1982, based on a heart and nerve condition. The Complainant applied for pension benefits under the UMWA 1974 Pension Plan and was notified that he was eligible for a pension upon reaching age 55. The Complainant was advised to contact his last signatory employer, the Respondent, concerning the provision of health benefits coverage, as he was working in a classified position when he became disabled and had completed twenty (20) years of credited service, including the required number of years of signatory service. The Respondent was sent a copy of this letter. The representative for the Complainant states that the Respondent has refused to provide health benefits coverage for the Complainant and his eligible dependents.

Dispute

Is the Respondent responsible for providing health benefits coverage to the Complainant and his eligible dependents?

Position of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage for the Complainant as a disabled Employee and his eligible dependents.

Position of the Respondent: The Respondent has failed to reply to repeated correspondence from Funds' staff.

Pertinent Provisions

Article I (1), (2) and (4) of the Employer Benefit Plan provide:

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 and 1984, 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. of the Employer Benefit Plan provides:

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;

Discussion

Article II (C) of the 1981 Employer Benefit Plan provides that for an individual to qualify for health benefits coverage he must not have attained the age of 55; he must have become disabled after December 6, 1976 while working for a signatory employer in a classified position; he must be eligible for Social Security Disability Insurance benefits; and he must have 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. Inasmuch as the Complainant was working for the

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Respondent at the time he became disabled, is receiving Social Security Disability Insurance benefits, has not attained the age of 55, and has met the 20 year service requirement stated above, he is eligible for health benefits from his last signatory Employer, the Respondent. Although shares of the Respondent corporation's stock were sold to Buccaneer Coal Co. in April 1986, a change in the identity of stockholders does not affect the corporate existence nor the corporation's debts, obligations, or liabilities. Therefore, the Respondent remains liable for the health benefits coverage for the Complainant and his eligible dependents.

Opinion of the Trustees

The Respondent is responsible for the provision of health benefits coverage to the Complainant as a disabled Employee and his eligible dependents consistent with the applicable provisions of the Employer Benefit Plan.