

OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 81-729 - July 17, 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 health benefits coverage for a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is a Pensioner whose last classified signatory employment in the coal industry was for the Respondent. The Respondent was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981, which expired on September 30, 1984, but did not sign the 1984 Wage Agreement.

The Complainant was notified by letter dated September 19, 1985 that he was awarded an Age 55 retirement pension under the 1974 Pension Plan, effective November 1, 1984. The Complainant was advised to contact his last signatory employer, the Respondent, regarding his eligibility for health benefits coverage. The Complainant has stated that he contacted the Respondent, but the Respondent has refused to provide his health benefits coverage.

Dispute

Whether the Respondent is responsible for providing health benefits coverage for the Complainant as a 1974 Plan Pensioner after the expiration of the 1981 Wage Agreement.

Positions of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage for the Complainant as a Pensioner

Position of the Respondent: The Respondent is not signatory to the 1984 Wage Agreement and there ore is not responsible for the provision of health benefits coverage for the Complainant as a Pensioner.

Pertinent Provisions

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

(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... 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)

- (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, (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 coverage for its Pensioners whose last signatory classified employment was with such Employer. The Complainant, whose last signatory classified employment was with the Respondent, became a Pensioner under the 1974 Pension Plan on November 1, 1984, after the expiration of the 1981 Wage Agreement.

The issue 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 (4th Cir. 1985) and Dist. 17 United Mine Workers of America, et. al. v. Allied Corp., etc., 765 F. 2d 412, -17 (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.