

OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 81-730 - November 20, 1989

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee; Thomas H. Saggau, 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 under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is the widow of an Employee who ceased working for the Respondent in August 1983 because of a disabling illness. At the time of his death on November 21, 1983, he was entitled to receive continued health benefits coverage from the Respondent. The Complainant is not eligible to receive a Surviving Spouse benefit, but she did receive a lump-sum life insurance benefit from the Respondent and health benefits coverage was provided following her husband's death.

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. In a letter dated April 1, 1987, the Respondent notified the Complainant that, effective April 30, 1987, it would no longer provide the Complainant's health benefits coverage.

The representative for the Complainant contends that the Respondent or the 1974 Benefit Plan and Trust is responsible for providing health benefits for the Complainant for 60 months following the month of her husband's death, through November 1988. The Respondent contends that since it is not signatory to the 1984 Wage Agreement, it has no obligation to provide health benefits to the Complainant after the expiration of the 1981 Wage Agreement.

Dispute

Whether the Respondent is responsible for providing health benefits to the Complainant following the expiration of the 1981 Wage Agreement.

Positions of the Parties

Position of the Complainant: The Respondent or the 1974 Benefit Plan and Trust is responsible for providing health benefits for the Complainant.

Position of the Respondent: The Respondent is not responsible for providing health benefits for the Complainant following the expiration of the 1981 Wage Agreement.

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 (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.(3) and E. (3) 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:

- (3) Is receiving or would, upon proper application, be eligible to receive Sickness and Accident Benefits pursuant to the Wage Agreement.

Life and Accidental death and dismemberment insurance shall also be provided to Employees described in (3) above.

E. Surviving Spouse and Dependents of Deceased Employees or Pensioners

Health benefits under Article III shall be provided to (i) any unmarried surviving spouse (who was living with or being supported by the Employee or Pensioner immediately prior to the Employee's or Pensioner's death) and (ii) such spouse's unmarried surviving dependent children as defined in subparagraphs (2) and (5) of paragraph D, of an Employee or Pensioner who died:

- (3) At a time when such Employee or Pensioner is entitled to receive health benefits pursuant to paragraph A, B, or C of this Article II, provided that (i) if such Employee or Pensioner died prior to the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit, then only for the period that the spouse is eligible to receive death benefits in installment payments pursuant to paragraph D of Article III, or (ii) if such Employee or Pensioner died on or after the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit and life insurance benefits or death benefits are payable in a lump sum, then only for 60 months following the month of the death of such Employee or only for 22 months following the month of death of such Pensioner. If life insurance benefits are not payable, health benefits shall be provided only to the end of the month in which the Employee or Pensioner died.

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

Article III - Benefits

D. General Provisions

(1) Continuation of Coverage

(a) Lay off

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

<u>Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Worked</u>	<u>Period of Coverage Continuation from the Date Last Worked</u>
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(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 Employees. The Wage Agreement stipulates that benefits provided pursuant to such Plan shall be guaranteed during the term of the Agree- ment. Article II E. of the Employer Benefit Plan provides health benefits for the unmarried surviving spouses of Employees who died while entitled to receive health benefits pursuant to Article II A, B, or C of the Employer Benefit Plan. Inasmuch as the Complainant is the unmarried surviving spouse of an Employee who died while he was entitled

to receive health benefits pursuant to Article II C of the Employer Benefit Plan, the Respondent is responsible for providing her health benefits coverage during the term of the 1981 Wage Agreement.

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 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. UMWA v. Max Nobel, ___ F. Supp. ___ (W. D. Pa. 1989), followed the Fourth Circuit's holding that with respect to pensioners and disabled employees, the Employer's obligations are limited to the term of the Wage Agreement. The Royal and Nobel cases did not address the obligation of the Employer to spouses having a 60-month entitlement and accordingly are not dispositive on that issue. It is clear that rights to benefits conferred by a collective bargaining agreement can extend beyond the term of the agreement if the parties to the agreement so provide. John Wiley & Sons v. Livingston, 376 U.S. 543, 550, 555 (1964); Int'l Union, UAW v. Yard-Man, Inc., 716 F.2d 1476 (6th Cir. 1983) cert. denied, 465 U.S. 1007 (1984); Automobile Workers v. Roblin Industries, 114 L.R.R.M. 2411, 2415 (W.D. Mich. 1982); Policy v. Powell Pressed Steel Co., 770 F.2d 609, 614-15 (6th Cir. 1985). The Trustees conclude that the clear and unequivocal language of the Employer's Plan requires the Employer to provide the Complainant's health benefits in accordance with the provisions of Article II E. (3) of the Employer Benefit Plan.

Under Article II E. of the Employer Benefit Plan, the surviving spouses and dependents of certain Employees and Pensioners are entitled to a specific period of health benefits coverage. Under Article II E. (3)(ii), the unmarried surviving spouse of a disabled Employee who died while eligible to receive health benefits pursuant to Article II C.(3), is eligible to receive health benefits for 60 months following the Employee's death, if such spouse is not eligible to receive a Surviving Spouse benefit and life insurance benefits are payable in a lump sum. Inasmuch as the Complainant is the unmarried widow of a disabled Employee who was eligible to receive health benefits at the time of his death, is not eligible to receive a Surviving Spouse benefit, and was eligible for life insurance benefits in a lump sum, she is entitled to health benefits coverage from the Respondent for 60 months following the month of the death of her husband. Inasmuch as the Employee died on November 21, 1983, her period of eligibility extended through November 1988, provided she did not remarry.

Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage for the Complainant through November 1988, in accordance with the provisions of Article II E. (3) of the Employer Benefit Plan.