

March 25, 1985

(Opinion issued in letter form; name and address deleted)

Re: Resolution of Dispute  
Case No. 84-014

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 a question concerning an Employer's authority to require proof of the participant's marital status and proof of dependency for the participant's claimed dependents for benefits coverage under the Employer Benefit Plan.

This dispute arises from your question as to whether the Employer has the right to request federal income tax returns as proof of dependency for continued health benefits coverage.

Article II D. of the Employer Benefit Plan states that health benefits coverage under Article III shall be provided to an Employee's spouse and certain dependents. In accordance with Question and Answer H-2 (81), (attached hereto), a person is considered a dependent of a participant if the participant regularly provides over one-half of the person's support. Support includes the fair rental value of lodging, reasonable cost of board, clothing, miscellaneous household services and education expenditures, excluding scholarships. Support is not limited to necessities.

The Trustees have previously concluded in ROD 81-300 (attached hereto), that it is reasonable for an Employer to require Employees to furnish proof of date of birth, marital status and dependency; therefore, before benefits coverage is approved for a spouse or a dependent, an Employer may require reasonably available information upon which it can make a determination of eligibility. In addition, the Trustees decided that an Employer may require reasonably available forms of documentation at reasonable intervals to update and verify the information. The Employer should allow an adequate period of time for the Employee to submit the required documentation.

As part of its re-enrollment procedure, the Employer requested that its Employees complete a Dependent Eligibility Application and submit it within 30 days, along with acceptable documentation. Birth certificates and 1983 Federal Tax returns were specified as suitable documentation. The Employer has stated that other methods of documenting dependency besides providing birth certificates and copies of income tax returns would also be acceptable.

Examples include a statement from a certified public accountant or notary public certifying that the tax information contained in a tax return is correct, or documentation showing that over one-half of a person's support is contributed by the Employee. The Employer has indicated that extensions of time will be granted to those Employees who furnish proof that the necessary documentation has been ordered (e.g. 45-90 days for the return of a copy of a Federal Tax statement).

The issue of the eligibility of children not residing in the Participant's household has also been raised. Q&A H-14 (81) (attached hereto) states that a participant's children who live with a separated or divorced spouse are eligible for health benefits coverage as long as the participant provides support sufficient to establish their dependency as defined in Q&A H-2 (81), or is under court order to provide support. A Participant under court order to supply health benefits to children residing outside the household must ultimately show that his children meet the criteria for dependency as established in Q&A H-2 (81) in order for them to be considered eligible for health benefits coverage under the Employer Plan.

In summary, the Trustees believe that the Employer has complied with the specifications outlined in ROD 81-300, and that it has acted reasonably in requesting its Employees to document dependent eligibility.

Sincerely,

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Harrison Combs, Chairman

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Joseph P. Brennan, Trustee

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William Miller, Trustee

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Paul R. Dean, Trustee