

October 29, 1985

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

RE: Resolution of Dispute
Case No. 84-068

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 your mother under the terms of the Employer Benefit Plan.

As the result of an administrative re-enrollment program, the Employer terminated health benefits coverage for your mother in November of 1984. It is your contention that your mother is your dependent and is thereby eligible for health benefits coverage under the Employer Benefit Plan because she resides in your household and you provide over one-half of her support. In a telephone conversation on August 23, 1985 with a member of the Funds' staff, you stated that your mother has continuously resided in your household since "the 1960s". You also verified the monthly income figure which you had previously supplied to the Funds indicating your mother receives approximately \$595 in total monthly income from all sources, for a total annual income of \$7,145.

It is the position of your Employer that your mother does not meet the requirements of dependency as set forth in Article II D. (3) of the Employer Benefit Plan ("Plan"), and is therefore ineligible for health benefits coverage as provided therein. In support of its position, the Employer has stated that the "Statement of Dependency" which you submitted to the Funds indicates that \$5360 is the amount of annual support from you required by your mother. The Employer further states that you do not provide over one-half of your mother's support, as she receives Social Security and Black Lung combined annual benefits of \$7,145.

Article II D. (3) of the Employer Benefit Plan specifies that health benefits under Article III shall be provided to a parent of an eligible Employee, Pensioner or Spouse, if the parent has been dependent upon and living in the same household (residence) with the eligible Employee or Pensioner for a continuous period of at least one year. In addition, Question and Answer H-2 (81) (enclosed herein) states that a parent is considered dependent on an eligible Employee if the Employee provides over fifty (50) percent of the parent's support. Support involves, but is not limited to, "the fair rental value of lodging, reasonable cost of board, clothing, miscellaneous household services and education expenditures." It is not limited to necessities and is considered regular if it is provided on a yearly basis.

Information which you submitted to the Funds shows annual household expenses of approximately \$10,719. As there are two members in your household, yourself and your mother, each member's pro-rata portion of these expenses would be approximately \$5,360. Additional costs of \$6,688 for "...clothing, miscellaneous household services, and education expenditures", which are directly attributed as expenses for your mother, may also be added pursuant to Q&A H-2(81). Therefore, your mother's annual expenses total approximately \$12,048. Her annual income of \$7,145 equals 59.3% of the annual support she requires. Consequently, it can be concluded that you provide approximately 40.6% of your mother's support. Therefore, since you do not provide more than one-half of your mother's support, the Trustees are of the opinion that the Employer is not responsible for the provision of health benefits coverage for her.

Sincerely,

Joseph P. Connors, Sr., Chairman

Paul R. Dean, Trustee

William B. Jordan, Trustee

William Miller, Trustee

Donald E. Pierce, Jr., Trustee