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OPINION OF TRUSTEES

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In Re

Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 84-115 - March 25, 1986

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 health benefits coverage for a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant, who was born on August 29, 1930, began working for the Respondent in a classified position on April 16, 1984. The Complainant's last classified signatory employment in the coal industry was with the Respondent on October 3, 1984.

On March 20, 1985, the Complainant applied for retirement pension benefits under the UMWA 1974 Pension Plan. On August 15, 1985, the Complainant was notified that based upon his 31 years of classified service and upon his having attained age 55, it had been determined that he was eligible for an Age 55 Retirement pension from the Funds, effective September 1, 1985. The Complainant was also advised to contact his last signatory Employer, the Respondent, regarding his eligibility for health benefits coverage. The Respondent was provided with a copy of that letter.

The Respondent was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981. On September 26, 1984, the Respondent signed a Letter of Intent signifying its intention to become signatory to the 1984 Wage Agreement. To date, the Respondent has not signed the Agreement.

The Respondent has not replied to the Trustees' requests for its statement of its position in this dispute. The Complainant has asked that the Respondent be found responsible for the provision of benefits coverage.

Dispute

Is the Respondent responsible for the provision of benefits coverage for the Complainant, a UMWA 1974 Pension Plan pensioner?

#### Position of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage for the Complainant, a UMWA 1974 Pension Plan pensioner.

Position of the Respondent: The Respondent has not stated its position.

#### Pertinent Provisions

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) "Employer" means (name of Coal company).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1984, 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 vested pension based on less than 20 year of credited service, or (ii) a pension based in whole or in part on years of service credited under the terms of Article II G 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. (b) 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) October 1, 1984, 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 1(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

Although it has not executed the National Bituminous Coal Wage Agreement of 1984, the Respondent signed a Letter of Intent on September 26, 1984 in which it agreed to be bound by the terms and conditions of the "agreement successor to the 1981 National Agreement." By virtue of an executed Letter of Intent, the Employer is signatory to the 1984 Wage Agreement.

Article II B. of the Employer Benefit Plan provides health benefits coverage for an individual who satisfies the definition of "Pensioner" as set forth in Article 1(5) of the Employer Benefit Plan. Article 1(5) of the Plan defines a "Pensioner" as any person who is receiving a pension, other than a deferred vested pension based on less than 20 years of credited service. Inasmuch as the Complainant was notified by letter on August 15, 1985 that he was eligible to receive an Age 55 Retirement pension from the Funds effective September 1, 1985, the Complainant satisfied the definition of "Pensioner" as set forth in Article 1(5) as of September 1, 1985.

The issue of the Employer's responsibility to provide health benefits coverage for a Pensioner receiving pension benefits under the UMWA 1974 Pension Trust has previously been addressed in RODs 81-519 and 81-521 (enclosed herein). In their respective decisions, the Trustees concluded that the Employer is responsible for the provision of health benefits coverage for an individual who satisfies the definition of "Pensioner" as set forth in Article 1(5) of the Employer Benefit Plan and whose last classified signatory employment was with the employer.

Inasmuch as the Complainant is a "Pensioner" within the meaning of the Employer Benefit Plan and last performed classified signatory work for the Respondent, the Respondent is responsible for the provision of health benefits coverage for the Complainant effective September 1, 1985.

#### Opinion of the Trustees

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The Respondent is responsible for the provision of health benefits coverage for the Complainant and his eligible dependents effective September 1, 1985.