

OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 84-120 - April 21, 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 life insurance benefits for a surviving spouse of an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant's husband was a classified Employee who worked for the Respondent from September 9, 1980 until February 3, 1984, at which time he ceased work due to an illness for which he ultimately received Social Security Disability Insurance Benefits. He never was able to return to work and died on August 20, 1985. During the twenty-four consecutive calendar month period immediately prior to February 3, 1984, he had worked in excess of 2,000 hours. The Complainant asks whether she is entitled to life insurance benefits under the Employer Benefit Plan. The Complainant claims that her husband had more than twenty (20) years of classified service, however, evidence provided to the Funds was sufficient to establish a maximum of ten (10) years of credited service.

Dispute

Is the Complainant entitled to life insurance benefits under the Employer Benefit Plan?

Position of the Parties

Position of the Complainant: As the surviving spouse of an Employee with more than twenty years of classified service who was receiving Social Security Disability Insurance benefits at the time of his death, the Complainant is entitled to receive life insurance benefits.

Position of the Respondent: The Employee died after his eligibility for sickness and Accident benefits ceased, thus his surviving spouse is not entitled to life insurance benefits.

Pertinent Provisions

Article XI (c) of the National Bituminous Coal Wage Agreement of 1984 provides in pertinent part:

Section (c) Commencement and Duration of Benefits

Sickness and Accident Benefits shall begin with the first day of disability resulting from an accident, and with the eighth day of disability resulting from sickness, except that if the Employee is hospitalized because of a disabling sickness requiring surgical treatment or intensive care, benefits shall begin with the first full day of hospitalization...

Benefits for disability resulting from sickness shall be payable according to the following schedule:

<u>Length of Classified Employment with the Employer</u>	<u>Maximum Number of Weeks</u>
At least 6 months but less than 1 year.....	6
At least 1 year but less than 5 years.....	13
At least 5 years but less than 10 years.....	26
At least 10 years but less than 15 years.....	39
15 years or more.....	52

Article I (I), (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 (coal company).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1984, 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 A (2) and C(3) of the Employee Benefit Plan provide:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

A. Active Employees

Benefits under Article III shall be provided to any Employee who:

2. is on layoff or disabled from the Employer and had continuing eligibility as of the effective date of the Wage Agreement for coverage under the 1981 Employer Benefit Plan ("prior Plan") as a laid-off or disabled employee. Coverage for such laid-off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for such coverage under the provisions of the prior Plan.

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:

- (1) (a) Has completed 20 years of credited service, including the required number of years of signatory service pursuant to Article IV C(6) of the 1974 Pension Plan or any corresponding paragraph of any successor thereto, and

(b) has not attained age 55, and

(c) became disabled after December 6, 1974 while in classified employment with the Employer, and

(d) is eligible for Social Security Disability Insurance Benefits under Title II of the Social Security Act or its successor;;

(2) Becomes totally disabled due to a compensable disability within four years of date the Employee would be eligible to receive a pension under the 1974 Pension Plan or any successor thereto, as long as the Employee continues to be so disabled during the period for which Workers' Compensation payments (Workers' Compensation does not include Federal Black Lung Benefits) are applicable; or

(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.

Article III B (I) (a) and D (1) (a) and (b) of the Employer Benefit Plan provide:
Article III - Benefits

B. Life and Accidental Death and Dismemberment Insurance

1. Active Employees

Life and accidental death and dismemberment insurance will be provided for Employees, as described in Article II, Sections A and C(3), in accordance with the following schedule:

- (a) Upon the death of an Employee due to other than violent, external and accidental means, life insurance in the amount of \$30,000 will be paid to the Employee's named beneficiary.

D. General Provisions

(1) Continuation of Coverage

(a) Layoff

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

Number of Hours Worked for the
Employer in the 24 Consecutive
Calendar Month Period Immedi-
ately Prior to the Employee's Period of Coverage Continuation
Date Last Worked from the Date Last Worked

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 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

The Complainant claims that she is entitled to life insurance benefits because her husband had more than twenty years of classified service and received Social Security Disability Insurance benefits. While health benefits may under some circumstances be provided to such a disabled employee, life and accidental death benefits coverage is provided to a disabled employee only for the greater of the coverage period calculated under Article III D (1)(c) or the employee's period of eligibility for Sickness and Accident Benefits.

As an Employee with more than one but less than five years of service with the Employer, the Employee's disability due to an illness entitled him to Sickness and Accident Benefits for a maximum of thirteen (13) weeks. In this instance, the Employee was eligible for and received Sickness and Accident Benefits from February 6, 1984 until May 6, 1984. Having worked in excess of 2000 hours in the twenty four months prior to the last day he worked, his maximum period of continued coverage under Article III D of the Employer Benefit Plan was 12 months plus the remainder of the month in which he last worked, or until February 28, 1985. Consequently, the eligibility of the Complainant's former spouse for life insurance benefits had ceased before the Employee's death occurred on August 20, 1985.

Opinion of Trustees

The Respondent is not responsible for the provision of life insurance benefits for the Complainant.