

OPINION OF TRUSTEES

In Re

Complainant: Widow
Respondent: Employer
ROD Case No: 84-131 - February 24, 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 and other non-pension benefits for the dependents of a deceased Employee under the terms of the Employer Benefit Plan.

Background Facts

In November 1984, the Respondent suspended the Complainant's husband with the intent to discharge him on the grounds of excessive absenteeism. The Respondent subsequently entered into a "Last Chance Agreement" with the Complainant's husband, but again suspended him with the intent to discharge in August 1985 for the alleged violation of said agreement.

On August 26, 1985, the Complainant's husband filed a grievance and an arbitration hearing was held on September 6, 1985. In his written decision of September 11, 1985, the arbitrator affirmed the discharge effective September 9, 1985.

The Complainant's husband was killed in an automobile accident on November 11, 1985. The Complainant has stated that she should be entitled to health benefits coverage and death benefits for herself and her husband's two children.

The Respondent has denied responsibility for the provision of health benefits coverage and death benefits for the Complainant and her husband's two children stating that their eligibility for such benefits terminated on September 9, 1985, the date the Complainant's husband was discharged from service with the Respondent.

Dispute

Is the Respondent responsible for the provision of health benefits coverage and death benefits for the Complainant and for the children of her deceased husband?

Position of the Parties

Position of the Complainant: The Complainant asks that the Respondent be found responsible for the provision of health benefits coverage and death benefits for herself and for the children of her deceased husband.

Position of the Respondent: The Respondent is not responsible for the provision of health and other non-pension benefits for the Complainant and her deceased husband's children because the husband was discharged on September 9, 1985, and was not an 'Active Employee' within the meaning of the Employer Benefit Plan at the time of his death on November 11, 1985.

Pertinent Provisions

Article I (1), (2), (4) and (7) of the Employee 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.
- (7) "Dependent" shall mean any person described in Section D of Article II hereof.

Article II A. (1) and E. (1), (2) and (3) of the 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:

- (1) is actively at work* for the Employer on the effective date of the Wage Agreement....
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* Actively at work includes an Employee of the Employer who was actively at work on September 30, 1985, and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement.

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:

- (1) As a result of a mine accident occurring on or after the effective date of the Plan while the Employee was working in a classified job for the Employer;
- (2) Under conditions which qualify such spouse for a Surviving Spouse benefit under the 1974 Pension Plan or any successor thereto;
- (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 C 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 benefit; 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 B. (1), C. (1) and (2) and D. (1) (e) 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)....

C. Death Benefits

(1) Deaths Prior to December 6, 1977

Death benefit payments shall be continued in those cases which were in pay status as of December 5, 1977, under the 1974 Benefit Plan, for deceased Employees and Pensioners, whose last classified employment was with the Employer, in the same manner and in the same amounts, as previously provided for in the 1974 Benefit Plan.

(2) Deaths After December 5, 1977 and Prior to March 27, 1978

Death benefit payments shall be made for deaths occurring between and including December 6, 1977, and immediately prior to March 27, 1978, for Employees and Pensioners whose last classified employment was with the Employer, and who were participants in the 1974 Benefit Plan as of December 5, 1977, in the same manner and in the same amounts, as previously provided for in the 1974 Benefit Plan.

D. General Provisions

(1) Continuation of Coverage

(e) Quit or Discharge

If an Employee quits (for any reason) or is discharged, health, life and accidental death and dismemberment coverage will terminate as of the date last worked. An Employee who ceases work and will be found to be eligible for health benefits as a retiree on the first of the month subsequent to the date on which he last worked shall be eligible for benefits without interruption as provided by the Plan from the date he last worked.

Discussion

Article I (4) of the Employer Benefit Plan defines an "Employee" as "any person working in a classified job for the Employer, eligible to receive benefits hereunder." Article II A. (1) of the Plan provides health benefits coverage for any Employee who is actively at work for the Employer on the effective date of the Wage Agreement.

Article II E. of the Employer Benefit Plan provides health benefits coverage to the surviving spouse and eligible dependents who were living with or being supported by an Employee. Article III B. (I) provides life and accidental death insurance in the event of the death of an Employee and Article III C. of the Plan provides death benefits for deceased Employees.

Article III D. (1) (e) of the Employer Benefit Plan states that if an Employee quits or is discharged, health, life and accidental death and dismemberment coverage will terminate as of the date last worked. The Complainant's husband was formally discharged on September 9, 1985 and therefore ceased to be an "Employee" as defined in Article I (4) of the Plan as of that date. Eligibility of the surviving spouse and dependents for health and other non-pension benefits is contingent upon the eligibility of the deceased.

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Therefore, the Complainant's eligibility, and that of the dependent children, ceased on September 9, 1985, the date the Complainant's husband was discharged and ceased to satisfy the definition of "Employee" as set forth in Article I (4) of the Employer Benefit Plan. The Respondent is therefore not responsible for the provision of health benefits coverage and death benefits for the Complainant and the dependents of her deceased husband.

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The Respondent is not responsible for the provision of health and other non-pension benefits for the Complainant and the dependents of her deceased husband.