
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 84-166 - June 2, 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's last classified signatory employment in the coal industry was with the Respondent on January 19, 1981, when the Complainant claims he became disabled as the result of an illness. The Complainant filed an application for a normal retirement pension under the UMWA 1974 Pension Plan on January 23, 1981. This application was subsequently denied because he could not establish proof of at least 10 years of classified signatory service in the coal industry.

Based on new evidence submitted to the Funds, including documentation of an award of Sickness and Accident ("S&A") benefits, the Complainant was awarded a 1974 Plan pension on October 3, 1985, retroactive to August 1, 1981. The Complainant was advised to contact his last signatory Employer, the Respondent, concerning the provision of health benefits coverage for a Pensioner. The Complainant states that the Respondent has refused to provide his health benefits coverage.

On January 15, 1986 the Respondent submitted documents to the Funds in support of its position that the Complainant is not entitled to a 1974 Plan Pension. The Funds reviewed the evidence in the Complainant's case record, and the award of his pension was upheld on February 28, 1986. The Respondent continues to deny responsibility for the Complainant's health benefits coverage.

Dispute

Is the Complainant entitled to health benefits coverage as a pensioner under the terms of the Employer Benefit Plan?

Position of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage for the Complainant and his eligible dependent; under the terms of the Employer Benefit Plan.

Position of the Respondent: Because the Complainant should not be entitled to pension benefits from the 1974 Pension Plan, he is not entitled to health benefits coverage under the terms of the Employer Benefit Plan.

Pertinent Provisions

Article I (1), (2) and (8) of the 1984 Employer Benefit Plan provide:

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.
- (5) "Pensioner" shall mean any person who is receiving a pension, other than (i) a deferred vested pension based on less than 20 years 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. (1) of the 1984 Employer Benefit Plan provides:

Article II - Eligibility

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 I (B) of this Plan, any such Pensioner who was eligible for benefits under the 1974 Benefit Plan as a Pensioner on December 1, 1977, shall be eligible for such benefits, subject to all other provisions of this Plan.

Discussion

Article II B. of the Employer Benefit Plan establishes that an individual eligible for pension benefits under the UMWA 1974 Pension Plan is eligible for health benefits coverage under the Employer Benefit Plan.

The Complainant was awarded a 1974 Pension Plan normal retirement pension on October 3, 1988, retroactive to August 1, 1981. On January 15, 1986 the Respondent challenged the Complainant's right to receive pension benefits. The evidence contained in the Complainant's record was reviewed, and the Funds' original decision that the Complainant is entitled to pension benefits was confirmed. Inasmuch as the Complainant has been awarded a normal retirement pension from the UMWA 1974 Pension Plan, he must be considered a Pensioner within the meaning of Article II B. of the Employer Benefit Plan, and as such, he is entitled to health benefits coverage. Consequently, the Respondent is responsible for the provision of health benefits coverage for the Complainant and his eligible dependents effective August 1, 1981.

Opinion of the Trustees

The Respondent is responsible for the provision of health benefits coverage for the Complainant and his eligible dependents, effective August 1, 1981.