

OPINION OF TRUSTEES

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In Re

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Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 84-200 - October 29, 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 level of health benefits coverage under the terms of the Employer Benefit Plan.

Background Facts

The Complainant began classified employment with the Respondent in October of 1981. He was laid off on September 12, 1985, having worked a total of 3,439 hours during the 24 month period prior to his layoff.

On April 18, 1986, the Complainant was notified by letter that, based upon his 33-3/4 years of classified service and upon his having attained age 55 prior to his last date worked, he was eligible for an Age 55 retirement pension under the 1974 Pension Plan, effective October 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 Funds has determined that the Respondent is no longer in business, effective November 1, 1988, and the Complainant has been advised by letter that the Funds will provide health benefits coverage for him and his eligible dependents pursuant to Article II of the UMWA 1974 Benefit Plan and Trust, effective November 2, 1985.

The Respondent has failed to reply to repeated requests by Funds' staff to provide its position in this dispute.

Dispute

Is the Respondent responsible for the payment of charges for medical services incurred by the Complainant and his dependents prior to November 2, 1985?

Positions of the Parties

Position of the Complainant: The Respondent is responsible for the payment of charges for medical services incurred by the Complainant and his dependents prior to November 2, 1985.

Position of the Respondent: The Respondent has not provided its position in this dispute.

Pertinent Provisions

Article XX (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides in pertinent part:

Article XX - Health and Retirement Benefits

Section (c) 1974 Plans and Trusts

(3)(i) Each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement as well as pensioners, under the 1974 Pension Plan and Trust, whose last signatory classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans.

Article I (1), (2), (4) and (5) 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.
- (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 A. (1) and B. (1) of the Employer Benefit Plan provide:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III 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;, ...

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 (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.

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\* Actively at work includes the Employee of the Employer who was actively at work on September 30, 1984, and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement. Article III B. (1) (a) of the Employer Benefit Plan provides:

Article III - Benefits

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:

<u>Numbers of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Worked</u>	<u>Period of Coverage Continuation from the Date Last Worked</u>
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

#### Discussion

Article XX Section (c)(3)(i) of the 1984 Wage Agreement requires each signatory employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Employees, as well as pensioners whose last classified employment was with such Employer. The Wage Agreement stipulates that benefits provided by the Employer pursuant to such plan shall be guaranteed during the term of the Agreement by that Employer at levels set forth in such plans.

Article II A. of the Employer Benefit Plan provides health benefits for an Employee working in a classified job for a signatory Employer. Article III D. 1 (a) provides continued benefits coverage for an Employee who ceases work because of layoff for a defined period based upon the number of hours worked for the Employer in the 24-month period prior to layoff. Article III B. provides health benefits coverage to a pensioner receiving a pension under the 1974 Pension Plan. Inasmuch as the Complainant was an active Employee who was laid off on September 12, 1985, the Respondent is responsible for providing his health benefits coverage for this period of active employment until September 12, 1985, and for the continuation of such coverage from that date until the effective date of his 1974 Pension Plan pension, October 1, 1985. The Respondent is responsible for providing health benefits coverage to the Complainant as a 1974 Plan pensioner from October 1, 1985 until November 2, 1985, when the Complainant became eligible for such coverage under the 1974 Benefit Plan and Trust.

The Complainant has also submitted an unpaid bill for dental services (dentures) incurred on July 1, 1985. He asks whether the Respondent is responsible for the payment of this bill. Inasmuch as dental benefits are provided under Article XX-A of the Coal Wage Agreement and the Trustees have authority to resolve disputes involving benefits established by Article XX only, the Trustees may not address disputes concerning dental plan benefits.

Opinion of the Trustees

The Respondent is responsible for payment of covered medical expenses incurred by the Complainant and his eligible dependents during his period of eligibility as an Employee, a laid-off Employee, and a Pensioner under the terms of the Employer Benefit Plan until November 2, 1985.