
OPINION OF TRUSTEES

In Re

Complainant: Disabled Pensioner
Respondent: Employer
ROD Case No: 84-262 - February 6, 1987

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 November 29, 1982. The Complainant became totally disabled as the result of a mine accident which occurred on November 29, 1982 while working for the Respondent. The Complainant submitted an application for pension benefits from the Funds in December 1984. In a letter from the Funds dated April 2, 1985 the Complainant was awarded a Minimum Disability pension under the 1974 Pension Plan, retroactive to December 1, 1982. The Complainant was advised to contact his last signatory employer, the Respondent, concerning the provision of his health benefits coverage as a pensioner. The Respondent was provided a copy of that letter.

The Union representative for the Complainant claims that the Respondent has refused to provide the Complainant's health benefits coverage as required by Article XX (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984. The Complainant's representative requests that the Respondent be found responsible for the provision of such benefits.

The Respondent claims that it provided the Complainant with health benefits coverage for fifteen (15) months, and is not responsible for further coverage. The Respondent also claims that it has filed for protection under Chapter 11 of the Federal Bankruptcy Code and is financially unable to provide the Complainant with health benefits coverage. Funds' staff has determined that the Respondent continues to operate and, therefore, does not satisfy the no-longer-in-business provisions of Article II. E of the United Mine Workers of America 1974 Benefit Trust.

Dispute

Whether the Respondent is responsible for the provision of health benefits coverage for the Complainant as a Pensioner.

Positions of the Parties

Position of the Complainant: The Respondent is responsible for the provision of his health benefits coverage as a Pensioner.

Position of the Respondent: The Respondent is not responsible, nor financially able, to provide health benefits coverage for the Complainant beyond the period for which benefits were provided.

Pertinent Provisions

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

(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) and (8) of the 1984 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.
- (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 of 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

The persons eligible to receive 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

Article XX(c)(3)(i) of the 1984 National Bituminous Coal Wage Agreement requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Employees. The Wage Agreement stipulates that benefits provided by the Employer pursuant to such plan shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plan. The Respondent's claim that it is financially unable to provide health benefits does not relieve it of its obligation to provide such benefits under the Wage Agreement.

Article II B. of the 1984 Employer Benefit Plan establishes that an individual who is eligible for pension benefits under the UMWA 1974 Pension Plan is eligible for health benefits coverage under the Employer Benefit Plan. Inasmuch as the Complainant was awarded a UMWA 1974 Pension Plan Minimum Disability pension on April 2, 1985, retroactive to December 1, 1982, the Complainant meets the eligibility requirements of Article II B. and is entitled to health benefits coverage from his last signatory employer, the Respondent. As stated above, the Funds' staff has determined that the Respondent continues to operate and, therefore, does not satisfy the no-longer-in-business provisions of Article II E of the United Mine Workers of America 1974 Benefit Trust.

Opinion of the Trustees

The Respondent is responsible for the provision of health benefits coverage for the Complainant as a Pensioner effective December 1, 1982.