

OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 84-291 - January 28, 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 benefits coverage for the surviving spouse of an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is the surviving spouse of an Employee who last worked in a classified position for the Respondent on March 15, 1985. He was laid off on March 23, 1985. The Complainant has stated that her husband became disabled in August 1985 due to lung cancer. He subsequently filed an application through the Funds for health benefits coverage as a disabled Employee. On April 30, 1986 the Funds advised that based on his status as a person disabled while employed in a classified job for a signatory employer and as a recipient of Social Security Disability Insurance Benefits under Title II of the Social Security Act, he should contact his last signatory employer, the Respondent, regarding his eligibility for health benefits coverage as a disabled Employee. He was further informed that upon reaching age 55 on June 11, 1988, he would be eligible for a pension based on 33 1/2 years of credited service.

The Respondent has stated that it provided continued benefits coverage for the Complainant's husband as a laid-off Employee from March 22, 1985 through March 31, 1986. The Respondent has stated that it subsequently provided health benefits coverage for the Complainant's husband as a disabled Employee until he died on August 17, 1986, at age 53. The Complainant asks whether she is now entitled to a life insurance benefit and health benefits coverage from the Respondent.

The Respondent maintains that at the time of his death, the disabled Employee was not entitled to life insurance. Therefore, the Respondent contends that the Complainant, his spouse, is not

entitled to a life insurance benefit, nor is she entitled to health benefits coverage beyond the month in which the disabled Employee died.

Dispute

Whether the Respondent is responsible for providing a life insurance benefit and health benefits coverage for the Complainant.

Positions of the Parties

Position of the Complainant: The Complainant asks whether she is entitled to a life insurance benefit and health benefits coverage from the Respondent.

Position of the Respondent: The Complainant's husband was not entitled to life insurance coverage at the time of his death. Therefore, under the terms of the Employer Benefit Plan, the Complainant is not entitled to a life insurance benefit and her health benefits coverage extends only through the end of the month of her husband's death.

Pertinent Provisions

Article I (1), (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 (name of 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 C. and E. (3) of the Employer Benefit Plan provide:

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 the 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.

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:

- (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 benefits 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 D. (1) (a) and (d) of the Employer Benefit Plan provide:

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:

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

(d) Maximum Continuation of Coverage

In no event shall any combination of the provisions of (a), (b), (c), (e) or (g) above result in continuation of coverage beyond the balance of the month plus 12 months from the date last worked.

Discussion

Under Article III D. (1) (a) of the Employer Benefit Plan, an Employer is required to provide continued health, life and accidental death and dismemberment coverage for a laid-off Employee for a period not to exceed the balance of the month plus 12 months from the date last worked. Inasmuch as the Respondent provided continued benefits coverage for the Complainant's husband as a laid-off Employee from March 1985 through March 31, 1986, the Respondent has fulfilled its obligation under Article III D. (1) (a) of the Plan.

Article II C. of the Plan provides health benefits coverage to certain disabled Employees. Life and accidental death and dismemberment insurance is provided only to those disabled Employees who are entitled to health benefits coverage under sub-paragraph (3) of Article II C. Article II C. (3) provides benefits coverage to disabled Employees who are eligible for Sickness and Accident ("S&A") Benefits. Pursuant to the Wage Agreement, S&A Benefits are not payable in the event that an Employee was laid off prior to his disability. Inasmuch as the Complainant's husband was laid off prior to becoming disabled in August 1985, he was not entitled to Sickness and Accident Benefits, and accordingly, he did not qualify for health benefits under Article II C. (3) at the time of his death.

Article II C. (1) of the Plan provides health benefits coverage to a disabled classified Employee who has completed 20 years of credited service, has not yet attained age 55, and is eligible for Social Security Disability Insurance Benefits. Inasmuch as the Complainant's husband satisfied those requirements, his eligibility for health benefits coverage beyond March 31, 1986 was derived solely from Article II C. (1) of the Employer Benefit Plan. Accordingly, he was receiving health benefits coverage at the time of his death, but because he had been laid off and his continued eligibility for benefits as a laid-off Employee had expired, he was not eligible for life insurance coverage at the time of his death. Therefore, the Complainant is not entitled to a life insurance benefit from the Respondent.

Article II E. (3) of the Plan provides health benefits coverage to the surviving spouse of a deceased Employee. Article II E. (3) stipulates that if life insurance benefits are not payable, health benefits shall be provided only to the end of the month in which the Employee died. Inasmuch as life insurance benefits were not payable at the time of her husband's death, the Complainant's entitlement to health benefits coverage ceased at the end of the month in which her husband died.

Opinion of the Trustees

The Respondent is not responsible for providing a life insurance benefit to the Complainant. The Respondent is also not responsible for providing health benefits coverage to the Complainant beyond August 31, 1986.