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## OPINION OF TRUSTEES

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### In Re

Complainant: Surviving Spouse  
Respondent: Employer  
ROD Case No: 84-339 - September 30, 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 a disabled Employee and his surviving spouse under the terms of the Employer Benefit Plan.

### Background Facts

The Complainant's husband performed classified work for the Respondent from June 1984 until September 20, 1985, when he ceased work due to illness. He never was able to return to work and died of lung cancer on September 8, 1986. According to Funds' records and pay stubs submitted by the Complainant, her husband had worked 2,076 hours for the Respondent during the 24-month period immediately prior to his date last worked.

The representative for the Complainant has stated that the Respondent provided continued benefits coverage for the Complainant and her husband until June 26, 1986, when the Complainant's husband's Sickness and Accident benefits were terminated. The representative alleges that the Respondent refused to provide benefits coverage beyond that date, claiming that the Complainant's husband had not worked sufficient hours in the 24-month period prior to his date last worked to qualify for any additional period of continued coverage. Information submitted to the Funds by the insurance carrier indicates that health benefits coverage was provided through December 31, 1986; however, the Complainant has stated that medical expenses incurred prior to her husband's death have not been paid. The Complainant has indicated that her attempts to contact the Respondent regarding those charges have been unsuccessful. The Complainant has also stated that life insurance benefits have not been paid. The representative contends that the Complainant's husband worked over 2,000 hours during the 24-month period prior to September 20, 1985; therefore, he was entitled to continued benefits coverage through the date of his death, September 8, 1986, and the Complainant is entitled to life insurance benefits under the Employer Benefit Plan.

The Funds has determined that the Respondent is no longer in business, effective December 31, 1986, and the Complainant has been advised by letter that she and her eligible dependents may qualify for health benefits coverage pursuant to Article II E. of the UMW 1974 Benefit Plan and Trust, effective January 1, 1987.

### Dispute

Is the Respondent responsible for payment of the Complainant's husband's medical expenses incurred prior to his death on September 8, 1986, and for providing life insurance benefits to the Complainant?

### Positions of the Parties

Position of the Complainant: The Complainant's husband worked over 2,000 hours for the Respondent in the 24-month period prior to September 20, 1985, when he ceased work because of disability. Therefore, the Respondent is responsible for the continuation of his benefits coverage from September 20, 1985 until his death on September 8, 1986, and the Complainant is entitled to receive life insurance benefits.

Position of the Respondent: The Respondent has failed to present its position in this dispute

### 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 (Employer's Name).
- (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 A. (1), C. (3) and E. (3) of the Employer Benefit 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;

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:

- (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.

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\* Actively at work includes an 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) and D. (1) (a), (b) and (d) 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), in accordance with the following schedule:

- (a) Upon the death of an Employee due to other than violent, external and accidental means, life insurance in the amount of \$30,000 will be paid to the Employee's named beneficiary.

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 <u>Date Last</u>	Period of Coverage Continuation from the Date <u>Worked 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

(b) Disability

Except as otherwise provided in Article II, section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, life and accidental death and dismemberment insurance

coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period as set forth in the schedule in (a) above.

(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)(b) of the Employer Benefit Plan, the Employer is required to provide continued health, life and accidental death and dismemberment coverage for a disabled Employee for the greater of his period of eligibility for Sickness and Accident benefits or his period of eligibility based on the number of hours worked during the 24-month period prior to his date last worked. Funds' records and the evidence submitted by the Complainant indicate that the Complainant's husband worked 2,076 hours for the Respondent during the 24-month period prior to September 20, 1985, his date last worked. Accordingly, the Complainant's husband was entitled to continued health, life and accidental death and dismemberment coverage for the balance of September 1985 plus twelve months the maximum period allowable under Article III D. (I)(d). Inasmuch as the Complainant's husband died on September 8, 1986, the Respondent is responsible for payment of any covered medical expenses incurred by him through that date and for payment of life insurance benefits to the Complainant.

Furthermore, Article II E. (3)(ii) of the Employer Benefit Plan requires a signatory Employer to provide health benefits to the unmarried surviving spouse of an Employee and to her eligible dependents for a 60-month period, if such Employee died after the effective date of the Wage Agreement, if the surviving spouse is not eligible for a Surviving Spouse benefit, and if life insurance or death benefits are payable to the surviving spouse in a lump sum. Inasmuch as the Complainant meets these requirements, the Respondent is responsible for the provision of health benefits coverage for the Complainant and her eligible dependents from September 1986 through December 31, 1986, the date the Respondent was determined to be no longer in business pursuant to Article II E. of the UMW 1974 Benefit Plan and Trust.

Opinion of the Trustees

The Respondent is responsible for payment of the Complainant's husband's covered medical expenses incurred through September 8, 1986, for payment of life insurance benefits to the Complainant, and for the provision of health benefits coverage for the Complainant and her eligible dependents through December 31, 1986.