
OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 84-351 - April 9, 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 worked in a classified position for the Respondent from May 1959 through July 13, 1984. On July 13, 1984, the Complainant's husband became disabled due to a work-related injury and was unable to return to work. He worked over 2,000 hours for the Respondent in the 24-month period prior to July 13, 1984, and was eligible for Sickness and Accident ("S&A") benefits for a period of 52 weeks. The Respondent provided the Complainant's husband with health benefits until his death on September 11, 1986. The Complainant's husband was subsequently awarded a Normal Retirement pension for the period from January 1985, the month following the month in which he attained age 62, through September 1986.

The Complainant contends that she is entitled to a \$30,000 life insurance benefit from the Respondent. The Respondent claims that the Complainant's husband was entitled to life insurance coverage as a disabled Employee for the period for which he was eligible for S&A benefits, or through July 12, 1985. The Respondent claims that because the Complainant's husband was not entitled to life insurance coverage as a disabled Employee at the time of his death, the Complainant's wife is not entitled to a \$30,000 life insurance benefit.

Dispute

Whether the Respondent is responsible for providing the Complainant a \$30,000 life insurance benefit.

Positions of the Parties

Position of the Complainant: The Respondent is responsible for providing her with a \$30,000 life insurance benefit.

Position of the Respondent: The Complainant's husband was entitled to life insurance coverage as a disabled Employee during the period for which he was eligible for Sickness and Accident benefits, or through July 12, 1985. Since the Complainant's husband died on September 11, 1986, after his entitlement to life insurance coverage as a disabled Employee had ceased, the Complainant is not entitled to a \$30,000 life insurance benefit.

Pertinent Provisions

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 (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.
- (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 C. (3) of the Employer Benefit Plan provides:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

- 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.

Article III B. (2) (a) provides:

Article III - Benefits

B. Life and Accidental Death and Dismemberment Insurance

(2) Pensioners

Upon the death of a Pensioner, as described in Article II, section B, life insurance shall be paid in lump sum to the Pensioner's named beneficiary in the following amounts:

- (a) \$2,500 if such Pensioner had Dependents at the time of death ...

Article III D. (1) (a) and (b) of the Employer Benefit Plan provide:

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 Last
Worked

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
Less than 500 hours

Balance of month plus 6 months
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 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.

Discussion

Article II C. (3) of the Employer Benefit Plan provides health benefits coverage and accidental life and dismemberment insurance to disabled Employees who are eligible for Sickness and Accident ("S&A") benefits. In addition, Article III D. (1)(b) provides that an Employee who ceases work because of disability will receive continuation of life and accidental death and dismemberment coverage for the greater of the period of eligibility for S&A benefits or the period set forth in Article III D. (1)(a). Under Article III D. (1)(a), continuation of such coverage is based on the number of hours worked by the Employee during the 24-month period prior to the date last worked.

The Complainant's husband worked over 2000 hours for the Respondent in the 24-month period prior to July 13, 1984 and was eligible for S&A benefits for a period of 52 weeks following July 13, 1984. Under Article III D. (1) the Complainant's husband was entitled to continued life and accidental death and dismemberment insurance as a disabled Employee through July 31, 1985. Inasmuch as the Complainant's husband was not eligible to receive life and accidental death and dismemberment insurance as a disabled Employee at the time he died on September 11, 1986, the Complainant is not eligible for a \$30,000 life insurance benefit.

Under Article III B. (2) (a), upon the death of a Pensioner, a \$2,500 lump-sum life insurance benefit shall be paid to the named beneficiary, if such Pensioner had dependents at the time of death. Inasmuch as the Complainant's husband was a Pensioner effective January 1985, and had a dependent at the time he died on September 11, 1986, the Complainant is eligible for a \$2,500 lump-sum death benefit from the Respondent as the surviving spouse of a Pensioner.

Opinion of the Trustees

The Respondent is not responsible for providing the Complainant a \$30,000 life insurance benefit. The Respondent is responsible for providing the Complainant a \$2,500 life insurance benefit as the surviving spouse of a Pensioner.