
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 84-437 - August 12, 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 worked in a classified job for the Respondent until June 25, 1985, when he was laid off. The Respondent provided the Complainant with continued health benefits coverage through June 30, 1986.

The Complainant was notified by letter dated January 8, 1987 that the Funds had determined he was eligible to receive a UMWA 1974 Pension Plan Age 55 retirement pension, effective June 1, 1986. The Complainant was advised to contact his last signatory employer, the Respondent, concerning his eligibility for health benefits coverage.

The representative for the Complainant has stated that following termination of the Complainant's health benefits coverage on June 30, 1986, the Complainant obtained private insurance coverage. The Complainant's representative has stated that the Complainant paid premiums for such coverage from July 1, 1986 to February 1, 1987. The Respondent reinstated the Complainant's health benefits coverage effective February 1, 1987.

The Complainant's representative asks whether the Respondent is responsible for the provision of health benefits for the Complainant during the period from July 1, 1986 to February 1, 1987 and, if so, whether the Respondent is responsible for reimbursement of premiums paid by the Complainant for private coverage during that period. The Respondent contends that it is not responsible for the provision of health benefits for the Complainant during the period from July 1, 1986 to February 1, 1987.

Dispute

Whether the Respondent is responsible for the provision of health benefits and the reimbursement of premiums paid by the Complainant during the period from July 1, 1986 to February 1, 1987.

Positions of the Parties

Position of the Complainant: The Complainant's representative asks whether the respondent is responsible for the provision of health benefits and the reimbursement of insurance premiums paid during the period from July 1, 1986 to February 1, 1987.

Position of the Respondent: The Respondent is not responsible for the provision of health benefits for the Complainant from July 1, 1986 to February 1, 1987, the date on which it was notified of the Complainant's retirement under the 1974 Pension Plan.

Pertinent Provisions

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

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

The issue of whether an Employer is responsible for providing a Pensioner with health benefits coverage on the effective date of the pension or on the date the Employer receives notification of the Pensioner's retirement under the 1974 Pension Plan has previously been addressed by the Trustees in Resolution of Dispute 81-521 (enclosed herewith). In that decision, the Trustees concluded that the Employer's obligation to provide health benefits coverage commences on the date the Complainant satisfied the criteria for receipt of pension benefits. Accordingly, in the present dispute, the Respondent is responsible for providing health benefits for the Complainant as a Pensioner effective June 1, 1986.

The issue of whether an Employer is obligated to reimburse a participant for premiums paid to purchase private health coverage during a period of eligibility has also previously been addressed by the Trustees in ROD 81-640 (enclosed herewith). In that decision, the Trustees concluded that the Employer's obligation is limited to reimbursing an Employee for medical expenses which are covered under the Employer Benefit Plan and which are incurred while the Employee is eligible for health benefits coverage under the Employer Benefit Plan. Accordingly, the Respondent is not responsible for the reimbursement of premiums for private health insurance coverage paid by the Complainant during the period from July 1, 1986 to February 1, 1987.

Opinion of the Trustees

The Respondent is responsible for providing health benefits for the Complainant as a Pensioner, effective June 1, 1986. The Respondent is not responsible for reimbursement of insurance premiums paid by the Complainant for private health coverage during the period from July 1, 1986 to February 1, 1987.