
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondents: Employers
ROD Case No: 84-557 - July 26, 1988

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 is a Pensioner who last worked in a classified job in the coal industry for Capitol Fuels, Inc., on June 30, 1981. The Complainant was awarded back pay from Southern Appalachian Coal Company ("SACCo") for the period June 8, 1981 through January 21, 1982, as a result of an arbitration decision on January 21, 1982. The Complainant was awarded pension credit for this period based on hours reported to the Funds by SACCo. The Complainant was awarded a UMWA 1974 Pension Plan Age 55 retirement pension, effective June 1, 1983.

The representative for the Complainant states that both Capitol Fuels, Inc. and SACCo refuse to provide health benefits coverage for the Complainant because each contends that it is not the Complainant's last signatory Employer. Capitol Fuels, Inc., informed the Complainant that, as a result of the arbitration award of back pay on January 21, 1982, SACCo was the Complainant's last signatory Employer.

SACCo disagreed with the arbitration decision of January 21, 1982 and filed a civil suit against the UMWA. On June 30, 1986, the U.S. District Court for the Southern District of West Virginia ruled that the arbitration decision and award could not be used to impose liability upon SACCo with regard to any former or current employee of Capitol Fuels, Inc., except to the extent that such employee has engaged in active employment with SACCo. SACCo has stated that it is not the Complainant's last signatory Employer because the Complainant was never actively employed by SACCo.

Dispute

The Complainant asks whether Capitol Fuels or SACCo is responsible for providing his health benefits coverage as a Pensioner.

Positions of the Parties

Position of the Complainant: The Complainant asks whether Capitol Fuels or SACCo is responsible for providing his health benefits coverage as a Pensioner.

Position of the Respondents: SACCo states that it is not responsible for providing health benefits coverage for the Complainant because the Complainant was never actively employed by SACCo, and because the U.S. District Court decision of June 30, 1986 held that SACCo is not liable for any obligations of Capitol Fuels, Inc., to its former employees, except to the extent that such employees had engaged in active employment with SACCo.

Capitol Fuels, Inc., has not replied to repeated correspondence from Funds' staff requesting its position in this dispute.

Pertinent Provisions

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

(c) 1974 Plans and Trusts

(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 Trusts, 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 (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:

Article II - Eligibility

The persons eligible to receive the 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 I (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 Section (c)(3)(i) of the 1984 Wage Agreement requires each signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits to its Pensioners whose last signatory classified employment was with such Employer. Article II B. of the 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 pension, effective June 1, 1983, he is entitled to health benefits coverage from his last signatory Employer.

The issue here is whether Capitol Fuels, Inc., or SACCo is the Complainant's last signatory employer for health benefits purposes. The Complainant last worked for Capitol Fuels on June 30, 1981; he was subsequently awarded back pay from SACCo for the period June 8, 1981 through January 21, 1982. However, pursuant to the U.S. District Court order of June 30, 1986, SACCo may not be held liable for any obligations of Capitol Fuels to its former employees, unless such employees were actively employed by SACCo. Accordingly, SACCo is not responsible for providing health benefits coverage for the Complainant as a Pensioner since the Complainant was never actively employed by SACCo. Therefore, Capitol Fuels, Inc., is responsible for providing health benefits coverage for the Complainant as his last signatory Employer.

Opinion of Trustees

Capitol Fuels, Inc., is responsible for providing health benefits coverage for the Complainant as a Pensioner under the terms of the Wage Agreement and the Employer Benefit Plan.