

OPINION OF TRUSTEES

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In Re

Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 84-607 - May 23, 1989

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee; Thomas H. Saggau, 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's last classified signatory employment in the coal industry was with the Respondent on April 20, 1982, when he was injured in a work-related accident. As a result of this injury, the Complainant has been unable to return to work, and he was awarded Social Security Disability Insurance ("SSDI") benefits, effective April 20, 1982.

As a part of the Respondent's hiring process, the Complainant had been required to provide information regarding his medical history. The Complainant indicated on his employment application and physical examination form that he had never filed a Workers' Compensation claim nor received Workers' Compensation benefits as a result of an industrial injury. After the Complainant injured his back on April 20, 1982, the Respondent discovered that the Complainant had previously filed several Workers' Compensation claims involving other employers and that he had received a permanent partial disability award for a back injury sustained prior to his employment with the Respondent. On October 12, 1982, the Respondent notified the Complainant that he was suspended with intent to discharge for falsification of his employment application and physical examination form. The Complainant's discharge was subsequently upheld by an arbitration decision rendered December 15, 1982.

The Complainant was subsequently awarded a UMWA 1974 Pension Plan Minimum Disability pension, effective May 1, 1982. The Complainant was advised to contact his last signatory employer, the Respondent, concerning his eligibility for health benefits coverage as a Pensioner. The representative for the Complainant states that the Respondent has refused to provide health benefits coverage for the Complainant.

The Respondent contends that it is not responsible for providing health benefits coverage for the Complainant as a Pensioner because the Complainant did not "retire" from employment with the Respondent; rather, he was discharged. The Respondent claims that if an Employee is discharged for just cause, he forfeits all the terms, conditions, rights, benefits and privileges associated with his employment. The Respondent contends that under Article III D(1) of the Employer Benefit Plan, discharge results in immediate and total termination of an Employee's health benefits coverage. The Respondent further contends that there is no provision under the Wage Agreement which requires it to provide health benefits coverage for a Pensioner who had been discharged for just cause.

### Dispute

Whether the Respondent is responsible for providing health benefits coverage for the Complainant as a Pensioner.

### Positions of the Parties

Position of the Complainant: The Respondent is responsible for providing health benefits coverage for the Complainant as a Pensioner.

Position of the Respondent: The Complainant did not retire from employment with the Respondent and he forfeited all present and future rights as an employee when he was discharged for just cause. Therefore, the Respondent is not responsible for providing health benefits coverage for the Complainant as a Pensioner.

### Pertinent Provisions

Article XX(c)(3)(i) of the National Bituminous Coal Wage Agreements of 1981 and 1984 provides in pertinent part:

(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 Trust, 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 1981 and 1984 Employer Benefit Plans 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 1981 [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 1981 and 1984 Employer Benefit Plans provides:

#### Article II - Eligibility

The persons eligible to receive 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) June 7, 1981 [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.

Article III. D. (1)(e) of the 1981 Employer Benefit Plan provides:

#### (e) Quit or Discharge

If an Employee quits or is discharged, health, life and accidental death and dismemberment insurance coverage will terminate as of the date last worked.

### Discussion

Article XX(c)(3)(i) of the 1981 and 1984 Wage Agreements requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Pensioners whose last signatory classified employment was with such Employer. Article II. B. (1) of the Employer Benefit Plan establishes that any individual who is receiving a pension under the 1974 Pension Plan, other than a deferred vested pension based on less than twenty (20) years of credited service or a pension based in whole or in part on years of service credited under Article II G. of the 1974 Plan, is eligible for health benefits coverage under the Employer Benefit Plan. The evidence contained in the Complainant's pension file has been reviewed and the Funds' original decision that the Complainant is entitled to a Minimum Disability pension under the 1974 Pension Plan has been confirmed. According to the pension file, the Complainant's last day of signatory classified employment was on April 20, 1982 with the Respondent. Inasmuch as the Complainant was awarded a UMWA 1974 Pension Plan Minimum Disability pension, effective May 1, 1982, the Complainant is entitled to health benefits coverage from his last signatory employer.

The Respondent claims that the Complainant's entitlement to health benefits coverage from the Respondent terminated as a result of his discharge on December 15, 1982, in accordance with Article III. D. (1)(e) of the Employer Benefit Plan. The continuation of coverage provisions of Article III. D. (1) of the Plan apply only to Employees and are therefore not applicable with regard to the Complainant's eligibility for health benefits coverage as a Pensioner. Furthermore, Article XX (c)(3)(i) of the 1981 and 1984 Wage Agreements clearly establishes that a signatory Employer is required to provide health and other non-pension benefits to Pensioners who last performed classified work for such Employer. Inasmuch as the Complainant last performed classified signatory work for the Respondent on April 20, 1982, and he is receiving a UMWA 1974 Pension Plan Minimum Disability pension, he is a Pensioner within the meaning of Article II B. and is entitled to health benefits coverage provided by the Respondent, effective May 1, 1982.

### Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage for the Complainant as a Pensioner, effective May 1, 1982, under the terms of the Employer Benefit Plan.