
OPINION OF TRUSTEES

In Re

Complainants: Disabled Employees
Respondent: Employer
ROD Case No: 84-663 - September 14, 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 disabled Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants are two disabled Employees who sustained compensable injuries while performing classified work for the Respondent. One of the Complainants, whose date of birth is June 9, 1929, was 57 years old when he ceased work on April 20, 1987, because of his injury. The other Complainant, whose date of birth is December 14, 1929, was 57 years old when he ceased work on May 12, 1987, because of his injury. As a result of their injuries, the Complainants have been unable to return to work and are receiving Workers' Compensation benefits.

The Complainants state that the Respondent terminated their health benefits coverage on May 31, 1988. The Complainants claim that the Respondent is responsible for providing their health benefits coverage as disabled Employees beyond May 31, 1988, consistent with Article XI of the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984. The Complainants state that they have not severed their employment with the Respondent and anticipate returning to work.

The Respondent states that it provided continued benefits coverage for the Complainants through May 31, 1988, in accordance with Article III. D. (1)(b) of the Employer Benefit Plan. Because each of the Complainants was eligible to receive a pension under the 1974 Pension Plan at the time of his disability, the Respondent contends that they are not entitled to any additional period of health benefits coverage as disabled Employees under Article II. C. (2) of the Plan. The Respondent states that the Complainants' reference to Article XI of the Wage Agreement is

irrelevant since that provision addresses eligibility for Sickness and Accident Benefits, not continued health benefits coverage.

Dispute

Whether the Respondent is responsible for providing health benefits coverage for the Complainants as disabled Employees beyond May 31, 1988.

Positions of the Parties

Position of the Complainants: The Respondent is responsible for providing health benefits coverage for the Complainants as disabled Employees beyond May 31, 1988, consistent with Article XI of the 1984 Wage Agreement.

Position of the Respondent: Because each of the Complainants was eligible for a 1974 Pension Plan pension at the time of his disability, they are not entitled to health benefits coverage beyond May 31, 1988 as disabled Employees under Article II. C. (2) of the Employer Benefit Plan.

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. C. (1), (2) and (3) of the Employer Benefit Plan provide:

Article II - Eligibility

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:

(1) (a) Has completed 20 years of credited service, including the required number of years of signatory service pursuant to Article IV C(6) of the 1974 Pension Plan or any corresponding paragraph of any successor thereto, and

(b) has not attained age 55, and

(c) became disabled after December 6, 1974 while in classified employment with the Employer, and

(d) is eligible for Social Security Disability Insurance Benefits under Title II of the Social Security Act or its successor;

(2) Becomes totally disabled due to a compensable disability within four years of the date the Employee would be eligible to receive a pension under the 1974 Pension Plan or any successor thereto, as long as the Employee continues to be so disabled during the period for which Workers' Compensation payments (Workers' Compensation does not include Federal Black Lung Benefits) are applicable; or

(3) Is receiving or would, upon proper application, be eligible to receive Sickness and Accident Benefits pursuant to the Wage Agreement.

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

Article III - Benefits

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

500 or more but less than 2,000 hours	12 months 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 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

The Complainants in this case contend that they are entitled to health benefits coverage as disabled Employees beyond May 31, 1988, when such coverage was terminated by the Respondent. A disabled Employee's eligibility for health benefits coverage is governed by Articles II.C. and III. D. (1) (b) of the Employer Benefit Plan.

Article II. C. (1) of the Employer Benefit Plan provides health benefits coverage to a disabled Employee who satisfies the requirements specified therein, one of which stipulates that the Employee has not attained age 55. Inasmuch as the Complainants were over age 55 when they became disabled, they do not qualify for health benefits coverage under this provision.

Article II. C. (2) of the Plan provides health benefits coverage for an Employee who "becomes totally disabled due to a compensable disability within four years of the date the Employee would be eligible to receive a pension under the 1974 Pension Plan." The Trustees have previously interpreted Article II. C. (2) in ROD 84-507 (copy enclosed herein), holding that coverage under that provision is limited to disabled Employees who are not yet eligible for a 1974 Pension Plan pension.

The 1974 Pension Plan provides that pension benefits are to be provided to "[a]ny participant who (a) has at least 10 years of signatory service... and (b) has attained the age of 55 years..." Inasmuch as the Complainants were over age 55 when they became disabled and each had at

least 10 years of signatory service, they were eligible for 1974 Pension Plan pensions at the time they became disabled. Accordingly, the Complainants are not entitled to health benefits coverage as disabled Employees under Article II C. (2) of the Employer Benefit Plan.

Article II C. (3) of the Plan provides health benefits coverage for a disabled Employee who is receiving or would be eligible to receive Sickness and Accident ("S&A") Benefits pursuant to Article XI of the 1984 Wage Agreement. Article III D. (1)(b) of the Plan also provides continued benefits coverage for an Employee who ceases work because of disability for the greater of (i) the period of eligibility for S&A benefits, or (ii) the period based on the number of hours worked as set forth in Article III D. (1) (a). Under Article XI of the Wage Agreement, eligibility for Sick and Accident Benefits is limited to a maximum of 52 weeks. In addition, the Plan limits continued benefits coverage pursuant to Article III. D. (1) (a) to a maximum of the balance of the month plus 12 months from the date last worked. Inasmuch as the Complainants ceased work because of disability on April 20, 1987 and May 12, 1987, and the Respondent provided continued health benefits coverage for both of the Complainants through May 31, 1988, the Respondent has fulfilled its obligation to the Complainants as disabled Employees by providing the maximum period of continued benefits coverage for which they qualify under the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is not responsible for providing health benefits coverage for the Complainants as disabled Employees beyond May 31, 1988, under the terms of the Employer Benefit Plan.