

OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse of a Deceased Laid-off Employee
Respondent: Employer
ROD Case No: 84-709 - January 16, 1990

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 dependents of a deceased laid-off Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant's deceased husband worked for the Respondent in a classified position until he was laid off on December 13, 1985. During the 24-month period prior to December 13, 1985, the Employee had worked more than 500 but less than 2,000 hours for the Respondent. He died, as a result of a heart attack on April 19, 1987 at the age of 47. The Complainant and her two dependent children continued to receive health benefits coverage until sometime in 1988, when the Respondent cancelled their health benefits coverage. The Complainant states that she has remarried. She contends that the Respondent should continue to provide health benefits coverage for her two children, a 17-year-old daughter and a 12-year-old son, as the surviving dependents of a deceased Employee.

The Respondent states that, under the terms of the Employer Benefit Plan, the Complainant's husband was not eligible for health benefits coverage at the time of his death; therefore, his surviving dependents are not eligible for health benefits coverage. The Respondent states that the Complainant and her dependents continued to receive health benefits beyond the date of her husband's death because of an error made by the Respondent's insurance carrier.

Dispute

Is the Respondent responsible for providing health benefits coverage for the Complainant's dependents?

Positions of the Parties

Position of the Complainant: The Respondent is responsible for providing health benefits coverage to the Complainant's children as the surviving dependents of a laid-off Employee.

Position of the Respondent: The Complainant's husband was not eligible for health benefits coverage at the time of his death; therefore, his surviving dependents are not entitled to health benefits coverage.

Pertinent Provisions

Article I (I), (2), (4) and (7) 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.
- (7) "Dependent" shall mean any person described in Section D of Article II hereof.

Article II E. of the Employer Benefit Plan provides:

Article II - Eligibility

E. Surviving Spouse and Dependents of Deceased Employees or Pensioners

Health benefits under Article III shall be provided to (i) any unmarried surviving spouse (who was living with or being supported by the Employee or Pensioner immediately prior to the Employee's or Pensioner's death) and (ii) such spouse's unmarried surviving dependent children as defined in subparagraphs (2) and (5) of paragraph D of an Employee or Pensioner who died:

- (1) As a result of a mine accident occurring on or after the effective date of the Plan while the Employee was working in a classified job for the Employer,;
- (2) Under conditions which qualify such spouse for a Surviving Spouse benefit under the 1974 Pension Plan or any successor thereto;

- (3) At a time when such Employee or Pensioner is entitled to receive health benefits pursuant to paragraph A, B, or C of this Article II, provided that (i) if such Employee or Pensioner died prior to the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit, then only for the period that the spouse is eligible to receive death benefits in installment payments pursuant to paragraph C of Article III, or (ii) if such Employee or Pensioner died on or after the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit and life insurance benefits or death benefits are payable in a lump sum, then only for 60 months following the month of the death of such Employee or only for 22 months following the month of death of such Pensioner. If life insurance benefits are not payable, health benefits shall be provided only to the end of the month in which the Employee or Pensioner died.

Article III D. (I)(a) of the Employer Benefit Plan provides:

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:

| <u>Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Worked</u> | <u>Period of Coverage Continuation from the Date Last Worked</u> |
|---|--|
| 2,000 or more hours | Balance of month plus 12 months |
| 500 or more but less than 2,000 hours | Balance of month plus 6 months |
| Less than 500 hours | 30 days |

Discussion

Article II E. of the Employer Benefit Plan sets forth three circumstances under which the surviving dependents of a deceased Employee may qualify for health benefits coverage. The Complainant's dependents are not eligible under Article II E. (1) because her husband's death was not the result of a mine accident. They are also not eligible under Article II E. (2) because the Complainant's husband was not receiving, nor was he eligible to receive, pension benefits under the UMWA 1974 Pension Plan at the time of his death. Consequently, the Complainant does not qualify for a Surviving Spouse benefit under the 1974 Pension Plan.

Article II E. (3) provides health benefits coverage for the unmarried surviving dependent children of an Employee who was entitled to receive health benefits coverage at the time of his death, provided certain other requirements are met. In this instance, the Complainant's husband died while on lay-off status approximately 16 months following his date last worked for the Respondent. As a laid-off Employee, the Complainant was eligible for continued coverage for the balance of the month plus 6 months from his date last worked pursuant to Article III. D. (1)(a) of the Employer Benefit Plan. Consequently, the Complainant's husband was ineligible to receive health benefits coverage at the time of his death. Thus, the Complainant's dependents do not qualify for health benefits coverage under Article II E. (3). Inasmuch as the Complainant's dependents do not qualify for health benefits coverage under any of the three circumstances set forth in Article II E. of the Plan, the Respondent is not required to provide such coverage.

Opinion of the Trustees

The Respondent is not required to provide health benefits coverage for the Complainant's dependents.