

OPINION OF TRUSTEES

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In Re

Complainant: Surviving Spouse  
Respondent: Employer  
ROD Case No: 88-001 - June 28, 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 a life insurance benefit for the surviving spouse of a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is the surviving spouse of a Pensioner whose last signatory classified employment in the coal industry was with the Respondent. The representative for the Complainant states that, following the Pensioner's death on February 23, 1988, the Complainant was denied the death benefit under the Benefit Plan established by the Respondent because the Pensioner had named his former wife as his beneficiary for such benefit. The representative contends that the Pensioner intended the death benefit to be paid to the Complainant, his surviving spouse, and he was never advised of the need to change his designated beneficiary. The representative for the Complainant further contends that in accordance with Q&A DB-2(81), the surviving spouse of a deceased coal miner is the intended beneficiary of the death benefit.

The Respondent states that the Employer Benefit Plan provides a life insurance benefit, not a death benefit, to the named beneficiary of a Pensioner who was receiving a 1974 Pension Plan pension at the time of his death. Because the Pensioner designated his former wife as his beneficiary on April 7, 1978, and did not change his designation of beneficiary prior to his death, the Respondent contends that the life insurance benefit should be paid to the Pensioner's former wife, rather than to his surviving spouse, the Complainant.

Dispute

Whether the Respondent is responsible for providing a life insurance benefit to the Complainant as the surviving spouse of a Pensioner.

Positions of the Parties

Position of the Complainant: The Respondent is responsible for providing a death benefit to the Complainant as the surviving spouse of a Pensioner under the terms of the Employer Benefit Plan and Q&A DB-2 (81).

Position of the Respondent: The Respondent is responsible for providing a life insurance benefit to the Pensioner's named beneficiary, his former wife, rather than to the Complainant, his surviving spouse, under the terms of the Employer Benefit Plan.

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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 1988, 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 8. (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) February 1, 1988, 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(S) 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 B. (2) of the Employer Benefit Plan provides:

B. Life and Accidental Death and Dismemberment Insurance

(2) Pensioners

Upon the death of a Pensioner, as described in Article II, section B, life insurance shall be paid in a lump sum to the Pensioner's named beneficiary in the following amounts:

(a) If such Pensioner had Dependents at the time of death, for the period beginning February 1, 1988 and ending January 31, 1990, \$3,000, and for the period beginning February 1, 1990 and ending at the expiration of the 1988 Wage Agreement, \$3,500; or

(b) If such Pensioner did not have Dependents at the time of death, \$2,500 during the period beginning February 1, 1988 and ending January 31, 1990, and for the period beginning February 1, 1990 and ending at the expiration of the 1988 Wage Agreement, \$3,000.

Discussion

Under Article II B. of the Employer Benefit Plan, an Employer is required to provide health benefits and life insurance to its eligible Pensioners. Article III B. (2) of the Plan provides that upon the death of a Pensioner, a life insurance benefit shall be paid in a lump-sum to the Pensioner's named beneficiary.

The representative for the Complainant contends that the Complainant, as the Pensioner's surviving spouse, is the intended beneficiary in accordance with Q&A DB-2(81) (copy enclosed herein). Q&A DB-2(81) interprets Article III B. of the 1950 Benefit Plan and Article III B. (2) of the 1974 Benefit Plan. Those provisions are silent concerning the distribution of the death benefit. Q&A DB-2(81) constitutes a regulation to implement the Plans, pursuant to Article III A. (10)(d) of each of those Plans. Q&A DB-2(81) requires that, upon the death of a Pensioner, death benefits shall be paid to the Pensioner's surviving spouse or other eligible surviving dependents, or, if there are no eligible surviving dependents, to the estate of the deceased

Pensioner. Thus, with regard to benefits payable upon the death of a Pensioner, the provisions of the 1950 and 1974 Benefit Plans are not identical to Article III B. (2) of the Employer Benefit Plan, and Q&A DB-2(81), which implements those provisions, is therefore not applicable to this case.

Article III B. (2) of the Employer Benefit Plan specifically provides for the payment of a life insurance benefit to a Pensioner's named beneficiary. Inasmuch as the Pensioner named his former wife as beneficiary of his life insurance provided under the Employer Benefit Plan, and did not change the beneficiary prior to his death, his former wife is entitled to the life insurance benefit, consistent with the terms of the Employer Benefit Plan. There is no provision under the Employer Benefit Plan which requires an Employer to notify an Employee or Pensioner whose marital status has changed to review the named beneficiary of his life insurance.

#### Opinion of the Trustees

The Respondent is not responsible for providing a life insurance benefit to the Complainant under the terms of the Employer Benefit Plan.