
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-023 - November 8, 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's last signatory classified employment in the coal industry was with the Respondent from November 4, 1974 until September 29, 1975, when he sustained a work-related injury and was unable to return to work. The Complainant was subsequently awarded a Minimum Disability pension under the 1974 Pension Plan, effective November 1, 1976. The Complainant states that he has been without health benefits coverage since July 31, 1982, when the Respondent terminated its benefit plan implemented through Provident. The Complainant's representative states that the Respondent has failed to respond to repeated requests to reinstate the Complainant's health benefits coverage. The Complainant asks whether the Respondent is responsible for providing health benefits coverage for the Complainant as a Pensioner.

The Respondent was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981, which expired on September 30, 1984. Information provided to the Funds indicates that a selective strike against the Respondent occurred on October 1, 1984. On June 11, 1985, the Respondent became signatory to the 1984 Wage Agreement. At that time, the Respondent also signed a Memorandum of Understanding indicating its intent to pay covered medical expenses incurred by employees, retirees, or surviving spouses between October 1, 1984 and June 11, 1985. The 1984 Wage Agreement expired on January 31, 1988. On December 7, 1987, the Respondent signed an Interim Agreement indicating its intent to be bound by the terms of the agreement "successor to the 1984 National Agreement."

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 Complainant asks whether the Respondent is responsible for providing his health benefits coverage as a Pensioner.

Position of the Respondent: The Respondent has not replied to repeated correspondence from Funds' staff requesting its position in this dispute.

Pertinent Provisions

Article XX (c)(3)(i) of the National Bituminous Coal Wage Agreements of 1981, 1984 and 1988 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 1574 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 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 1981 [1984] [1988], as amended front 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) pension based in whole or in part on years of service credited under the terms of Article II & 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) June 7, 1981 [October 1, 1984] [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 1(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 1981, 1984 and 1988 Wage Agreements requires each signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for Pensioners whose last signatory classified employment was with such Employer. The Wage Agreements stipulate that benefits provided by an Employer pursuant to such Plans shall be guaranteed during the terms of the Agreements by that Employer at levels set forth in such Plans.

The issue here is whether the Respondent is responsible for providing health benefits coverage for the Complainant as a Pensioner. The Respondent was signatory to the 1981 Wage Agreement, which expired on September 30, 1984. The Respondent was also signatory to the 1984 Wage Agreement which expired on January 31, 1988. Although it has not executed the 1988 Wage Agreement, the Respondent signed an Interim Agreement on December 7, 1987, in which it agreed to be bound by the terms and conditions of the "agreement successor to the 1984 National Agreement." The signatory status of an Employer who has signed such an agreement was addressed by the Trustees in ROD 84-055 (copy enclosed herein). In their decision, the

Trustees concluded that such an Employer must be considered signatory to the successor Wage Agreement. Accordingly, the Respondent, by virtue of its executed Interim Agreement, is considered signatory to the 1988 Wage Agreement.

Article II B. of the Employer Benefit Plans established pursuant to Article XX of the 1981, 1984 and 1988 Wage Agreements provides health benefits coverage for a Pensioner who is receiving a 1974 Pension Plan pension, other than a deferred vested pension based on less than 20 years of credited service or 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. Inasmuch as the Complainant's last signatory classified employment was with the Respondent and he is receiving a 1974 Pension Plan Minimum Disability pension, the Respondent is responsible for providing health benefits coverage for the Complainant as a Pensioner, consistent with the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage for the Complainant as a Pensioner, consistent with the terms of the Employer Benefit Plan.