
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 88-161 - May 22, 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 reimbursement of health insurance premiums for a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

On March 13, 1968 while employed in a classified position for the Respondent, the Complainant sustained a compensable injury for which Workers' Compensation benefits were awarded. The Complainant returned to work on February 10, 1969 and worked until October 27, 1980, when he ceased work because of disability. On January 14, 1982, an Administrative Law Judge determined that the Complainant was eligible for Social Security Disability Insurance benefits with a disability onset date of October 27, 1980.

The Complainant applied for disability pension benefits from the UMWA 1974 Pension Plan in January 1982. The application was denied on April 2, 1982; however, in November 1988 the file was reviewed to consider additional medical evidence. Subsequently, the Complainant was notified by letter dated December 12, 1988, that he was eligible for a 1974 Pension Plan Disability Pension, effective November 1, 1980. The Complainant was also advised to contact his last signatory employer, the Respondent, concerning his eligibility for health benefits coverage.

The Respondent provided continued health benefits coverage for the Complainant as a disabled Employee from October 27, 1980 through October 31, 1981. Following the termination of the Complainant's health benefits coverage, the Complainant obtained private insurance coverage. The Complainant paid monthly premiums for such coverage during the period from November 1, 1981 through December 18, 1988. The Respondent reinstated the Complainant's health benefits coverage, effective December 19, 1988, when it was notified of the Complainant's Disability Pension award.

The representative for the Complainant contends that the Respondent is responsible for reimbursement of the health insurance premiums paid by the Complainant from November 1981 through December 1988. The Respondent states that it has reimbursed the Complainant for Plan-covered medical expenses that were not covered under his private insurance policy during the period from November 1, 1981 through December 18, 1988. The Respondent contends, however, that it is not required to reimburse the Complainant for premiums paid for private health insurance. The Respondent states that its position is supported by previous decisions of the Trustees in RODs 81-640 and 81-660.

Dispute

Is the Respondent responsible for reimbursement of the premiums paid by the Complainant during the period from November 1, 1981 through December 18, 1988?

Positions of the Parties

Position of the Complainant: The Respondent is required to reimburse the Complainant for premiums paid during the period November 1, 1981 through December 18, 1988, because by obtaining private insurance coverage the Complainant helped to mitigate the Respondent's health care costs. The Complainant also contends that previous decisions of the Trustees on this issue are unreasonable, arbitrary and contrary to sound business practice.

Position of the Respondent: Consistent with previous decisions of the Trustees in RODs 81-640 and 81-660, the Respondent is not required to reimburse the Complainant for private health insurance premiums paid prior to the Employer's notification of the Complainant's eligibility for a pension in December 1988.

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 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) 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.

Discussion

The issue of whether an Employer is obligated to reimburse a participant for premiums paid to purchase private health coverage during a period of eligibility has previously been addressed by the Trustees in RODs 81-17, 81-640, 81-660 and 84-437 (copies enclosed herein). In those decisions, the Trustees concluded that the Employer's obligation is limited to reimbursing a beneficiary for medical expenses that are covered under the Employer Benefit Plan and that are incurred while the beneficiary is eligible for health benefits coverage under the Employer Benefit Plan; the Employer is not required to reimburse the beneficiary for premiums paid to purchase private health insurance coverage. The National Bituminous Coal Wage Agreement of 1988 and the Employer Benefit Plan established pursuant thereto contain no specific provisions requiring an Employer to reimburse beneficiaries for private health insurance premiums paid during a period for which the Employer is required to provide coverage pursuant to the Plan. Accordingly, the Respondent is not required to reimburse the Complainant for premiums paid for

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private health insurance coverage during the period from November 1, 1981 through December 18, 1988.

Opinion of the Trustees

The Respondent is not required to reimburse the Complainant for premiums paid to purchase private health insurance coverage during the period from November 1, 1981 through December 18, 1988.