

OPINION OF TRUSTEES

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In Re

Complainant: Pensioner  
Respondents: Employers  
ROD Case No: 82-182 - May 8, 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 a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was awarded a 1974 Pension Plan Age 55 retirement pension, effective July 1, 1988. The Complainant's pension award letter advised him to contact his last signatory employer, Jamie Coal Company, regarding his eligibility for health benefits coverage. The Complainant states that Jamie Coal Company has not provided health benefits coverage for him as a Pensioner.

Jamie Coal Company was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984 and the 1987 Employment and Economic Security Pact (EESP). Jamie Coal Company ceased operations on May 31, 1988, when the site it was mining under a lease agreement with another company was worked out. In October 1988, Billy Coal Company began operations on the same lessor's property at another mine site. Billy Coal Company has the same owners as Jamie Coal Company, and Billy hired former employees of Jamie Coal Company. Billy Coal Company became signatory to the 1988 Wage Agreement on August 22, 1988.

The Complainant's representative contends that Billy Coal Company, as a "successor" to Jamie Coal Company, is responsible for providing health benefits coverage for the Complainant as a Pensioner.

Dispute

Whether Jamie Coal Company or Billy Coal Company is responsible for providing health benefits coverage for the Complainant as a Pensioner?

Positions of the Parties

Position of the Complainant: Billy Coal Company, as a successor to Jamie Coal Company, is responsible for providing health benefits coverage for the Complainant as a Pensioner.

Position of the Respondents: Neither of the Respondents have replied to repeated correspondence from Funds' staff requesting their positions in this dispute.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1988 provides:

(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 1974 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. Such plans shall also include that each signatory Employer continue to make the death benefit payments in pay status as of December 5, 1977, for deceased Employees and pensioners under the 1974 Pension Plan whose last signatory classified employment was with such Employer, in the same manner and in the same amounts as previously provided for in the 1974 Benefit Plan and Trust. The plans established pursuant to this subsection are incorporated by reference and made a part of this Agreement, and the terms and conditions under which the health and other non-pension benefits will be provided under such plans are as to be 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 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 6 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

On February 1, 1988, Jamie Coal Company signed the 1987 Employment and Economic Security Pact in which it agreed, among other things, to be bound by the terms and conditions of the "agreement successor to the 1984 National Bituminous Coal Wage Agreement." Accordingly, Jamie Coal Company, by virtue of its executed 1987 Employment and Economic Security Pact, is considered signatory to the 1988 National Bituminous Coal Wage Agreement.

Article XX (c)(3)(i) of the 1988 Wage Agreement requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Pensioners whose last signatory classified employment was with such Employer. The Wage Agreement stipulates that benefits provided pursuant to such Plan shall be guaranteed during the term of the Agreement.

Article II B. of the Employer Benefit Plan establishes that an individual who is eligible for pension benefits under the 1974 Pension Plan is eligible for health benefits coverage under the Employer Benefit Plan, with certain exceptions not relevant here. The Complainant is a Pensioner whose last signatory classified employment was with Jamie Coal Company. Therefore, Jamie Coal Company is responsible for providing health benefits coverage for the Complainant as a Pensioner, pursuant to the terms of the Employer Benefit Plan. There is no evidence to indicate that Billy Coal Company expressly assumed the health benefits obligations of Jamie Coal Company. In addition, there is no evidence of an arbitration or court decision holding that Billy Coal Company is responsible for providing health benefits coverage for the Respondent's Pensioners. Accordingly, the Trustees have no basis on which to find Billy Coal Company responsible for providing health benefits coverage for the Complainant.

Opinion of the Trustees

Jamie Coal Company is responsible for providing health benefits coverage for the Complainant as a Pensioner, effective July 1, 1988, consistent with the terms of the Wage Agreement and the Employer Benefit Plan.