
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 88-230 - June 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 injured while working in a classified job for the Respondent on September 14, 1981. As a result of this injury the Complainant was awarded Workers' Compensation benefits. In February 1983, the Complainant applied for Social Security Disability Insurance ("SSDI") benefits under Title II of the Social Security Act. His application was approved on appeal by an Administrative Law Judge on January 17, 1984, with a disability onset date of April 6, 1982.

Following a review of additional medical evidence submitted by the Complainant, he was notified by letter dated August 18, 1989 that his previously denied application for a 1974 Pension Plan Minimum Disability pension was approved, effective May 1, 1982. The Complainant was advised to contact the Respondent, his last signatory employer, regarding his eligibility for health benefits as a disabled pensioner. The Complainant states that the Respondent has refused to provide him with health benefits coverage.

The Respondent states that it is not responsible for providing the Complainant's health benefits coverage because the Complainant does not meet the eligibility requirements for a disability pension according to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988. Specifically, the Respondent claims that the Complainant is not permanently disabled due to a mine accident, is not retired, and has not worked nor was he injured after the effective date of the 1988 Wage Agreement. The Respondent requests that the Funds reopen the Complainant's case to determine if his disability is the result of a mine accident. The Respondent contends that it has fulfilled its obligation to provide coverage to the Complainant by providing continued health benefits coverage for the Complainant after he ceased working for the Respondent on

April 6, 1982, for a period based on his hours worked. The Respondent claims that there is no provision under Article XX of the 1988 Wage Agreement for an employer to provide health benefits for an employee who has less than 10 years of service, is not retired, and receives a Minimum Disability pension incident to a Social Security award. The Respondent also claims that there is no provision in the 1988 Wage Agreement for health benefits coverage to be applied retroactively. Finally, the Respondent asserts that the Trustees are precluded from deciding this case due to a conflict of interest because the Trustees have attempted to settle a suit brought by the Complainant on the "same subject matter" at the expense of the Respondent.

Dispute

Is the Employer responsible for providing health benefits coverage for the Complainant as a Pensioner?

Positions of the Parties

Position of the Complainant: The Respondent is responsible for providing health benefits coverage for the Complainant as a Pensioner.

Position of the Respondent: There are no provisions under Article XX of the 1988 Wage Agreement which would require the Respondent to provide health benefits coverage to the Complainant. There are also no provisions for the retroactive application of health benefits coverage. In addition, the Trustees are precluded from deciding this case due to a conflict of interest because they have attempted to settle a suit brought by the Complainant on the "same subject matter" at the expense of the Respondent.

Pertinent Provisions

Article II D. of the UMWA 1974 Pension Plan provides:

D. Minimum Disability Retirement

Any Participant who (a) has less than 10 years of signatory service prior to retirement and (b) becomes totally disabled as a result of a mine accident occurring on or after [the effective date of the Wage Agreement] shall, upon retirement (hereinafter "Minimum Disability Retirement") be eligible for a pension while so disabled. A Participant shall be considered to be totally disabled only if by reason of such accident such Participant is subsequently determined to be eligible for Social Security Disability Insurance Benefits under Title II of the Social Security Act or its successor.

When a Participant who has been receiving a disability pension under this Section D recovers sufficiently to become ineligible for Social Security disability benefits or is disqualified because of earnings, the Trustees shall implement procedures to determine the Participant's ability to perform classified work in the industry. The continuance of a

disability pension shall be based on medical evidence that supports the Participant's inability to be employed in classified work in the industry.

If such Participant is medically certified able to perform classified work in the industry, such Participant will no longer be eligible for a disability pension.

Article I (1), (2) and (5) of the 1981, 1984 and 1988 Employer Benefit Plans 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 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 1981, 1984 and 1988 Employer Benefit Plans 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 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

Regulations governing the determination of eligibility for a pension and the relevant pension effective dates are set forth in the UMWA 1974 Pension Plan. The determination of eligibility for health benefits coverage for Pensioners is governed by the provisions of Article II B. of the Employer Benefit Plan. Under Article II B. of the Employer Benefit Plan, 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 Respondent contends that a decision by the Trustees with regard to the Complainant's eligibility for health benefits coverage would constitute a conflict of interest because the Trustees have attempted to settle a suit brought by the Complainant on the same subject matter at the expense of the Respondent. However, contrary to the Respondent's claim, the Complainant's suit against the Trustees and this dispute do not involve the "same subject matter." This dispute concerns the Complainant's claim that the Respondent is responsible for the Complainant's health benefits under Article II B. of the Employer Benefit Plan, while the suit concerns the Complainant's claim that he is eligible for disability pension benefits under Article II C. of the 1974 Pension Plan and also entitled to health benefits under the 1974 Benefit Plan. Thus, these actions involve separate claims for separate benefits under separate employee benefit plans. Moreover, the Trustees did not settle the Complainant's suit. Rather, new evidence was submitted to the Funds on the basis of which it was determined, consistent with the provisions of the 1974 Pension Plan, that the Complainant is eligible for pension benefits under that Plan. Accordingly, the Complainant's claim against the Trustees became moot. In resolving this dispute, the Trustees are acting under the authority of an exemption granted by the United States Department of Labor, in their capacities as arbitrators of disputes arising under the terms of the Employer Benefit Plan as established pursuant to Article XX Section (e)(6) of the Wage Agreement.

The Respondent contends that it is not required to provide health benefits coverage for the Complainant who has less than 10 years of service, is not retired, is not permanently and totally disabled as a result of a mine accident, but receives a Minimum Disability pension incident to a Social Security award. The Complainant was awarded a Minimum Disability pension effective May 1, 1982 pursuant to Article II D. of the 1974 Pension Plan. Eligibility for disability pension benefits under Article II D. is conditioned upon a showing that the Employee is totally disabled as a result of a mine accident, and that by reason of such accident the employee is determined eligible for SSDI benefits. A Funds' disability pension analyst has reviewed the evidence in the Complainant's file and affirmed the Funds' previous determination that the Complainant is totally

disabled as the result of a mine accident and entitled to a Minimum Disability pension pursuant to Article II D. of the 1974 Pension Plan. In accordance with Article II D., the Funds relied in part upon the Complainant's SSDI award in determining his eligibility for a Minimum Disability pension. Under Article II D. of the 1974 Pension Plan, there is no minimum service or "vesting" requirement to qualify for a Minimum Disability pension.

Inasmuch as the Complainant is receiving a Minimum Disability pension, he is eligible for health benefits coverage as a Pensioner under Article II B. of the Employer Benefit Plan established by his last signatory Employer, the Respondent. The issue of whether an Employer is responsible for providing a Pensioner with health benefits coverage retroactive to the effective date of his pension has previously been addressed by the Trustees in Resolution of Dispute 81-521 (copy enclosed herein). In that decision, the Trustees concluded that the Employer's obligation to provide health benefits coverage commences on the date the Complainant became a Pensioner as defined in Article I (5) of the Employer Benefit Plan. The Complainant in this case became a Pensioner as defined in Article I (5) of the Plan effective May 1, 1982. Therefore, the Respondent is responsible for providing health benefits coverage for the Complainant and his eligible dependents from that date, for as long as he continues to satisfy the eligibility requirements of Article II B. of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage for the Complainant and his eligible dependents, effective May 1, 1982, for as long as the Complainant continues to satisfy the requirements of Article II B. of the Employer Benefit Plan.