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## OPINION OF TRUSTEES

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### In Re

Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 88-248 - April 20, 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's last signatory classified employment in the coal industry was with the Respondent on October 15, 1982. The Complainant was awarded an Age 55 retirement pension under the UMWA 1974 Pension Plan, effective December 1, 1983.

The Respondent was signatory to the National Bituminous Coal Wage Agreements of 1981 and 1984, and it signed a 1987 Interim Agreement on January 6, 1988. The Complainant states that the Respondent terminated his health benefits coverage as a Pensioner, effective January 1, 1989. The Respondent ceased operations on or about February 1, 1989. The Funds has determined that the Respondent is no longer in business, effective February 2, 1989, and the Complainant has been advised that the Funds will provide health benefits coverage for him and his eligible dependents under the UMWA 1974 Benefit Plan and Trust, effective February 2, 1989. The Complainant has unpaid bills for medical expenses incurred by him and his dependents during January 1989.

### Dispute

Whether the Respondent is required to pay the medical expenses incurred by the Complainant and his dependents during January 1989.

### Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent is required to pay the medical expenses incurred by the Complainant and his dependents during January 1989.

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 Section (c)(3)(i) of the 1988 Wage Agreement 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 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.

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 8 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

Although the Respondent has not executed the 1988 Wage Agreement, the Respondent signed a 1987 Interim Agreement on January 6, 1988, 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 XX Section (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 by that Employer at levels set forth in such Plan.

The Respondent terminated the Complainant's health benefits coverage, effective January 1, 1989. The Complainant was not entitled to coverage under the 1974 Benefit Plan and Trust until February 2, 1989. As a result, the Complainant has unpaid bills for medical expenses incurred during January 1989. Article II 8. of the Employer Benefit Plan provides health benefits coverage for a Pensioner who is receiving a 1974 Pension Plan pension, with certain exceptions not relevant here. Inasmuch as the Complainant's last signatory classified employment was with the Respondent and he is receiving a 1974 Pension Plan Age 55 retirement pension effective December 1, 1983, the Respondent is responsible for providing health benefits coverage for the Complainant as a Pensioner during January 1989. Accordingly, the Respondent is required to pay the covered medical expenses incurred by the Complainant and his eligible dependents during that month.

Opinion of the Trustees

The Respondent is required to pay the covered medical expenses incurred by the Complainant and his eligible dependents during January 1989.