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OPINION OF TRUSTEES

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In Re

Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 88-257 - June 19, 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 benefits coverage for a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant, whose date of birth is July 16, 1929, incurred a compensable injury while performing classified work for the Respondent on August 24, 1987. As a result of this injury, the Complainant was unable to return to work and was awarded Workers' Compensation benefits. The Complainant was included in a layoff of all the Respondent's Employees on February 29, 1988.

The Complainant was awarded an Age 55 retirement pension under the 1974 Pension Plan, effective July 1, 1989, based on 12 3/4 years of signatory classified service. He was advised to contact his last signatory Employer, the Respondent, concerning his eligibility for health benefits coverage as a Pensioner.

The Respondent has refused to provide health benefits coverage for the Complainant as a Pensioner. The representative for the Respondent claims that, according to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988, the Complainant is not entitled to an Age 55 retirement pension because the Complainant was not a working miner when he retired; rather, he was disabled and had been placed on layoff status prior to his pension award. The representative contends that the Complainant should be receiving a deferred vested pension and, because he has less than 20 years of credited service, he is not entitled to health benefits coverage. The Respondent also suggests that the Complainant may have earnings in excess of the earnings limitation under the Plan. The Respondent's representative also contends that the Complainant is not entitled to health benefits coverage as a disabled Employee because

he does not have the 20 years of credited service required for "disability benefit retirement." Finally, the representative claims that the Respondent is not responsible for providing the Complainant's health benefits coverage because the Complainant became a Pensioner after the expiration of the 1984 Wage Agreement, and he did not have "employee status" when the Respondent signed the 1988 Wage Agreement on April 14, 1988.

### Dispute

Is the Respondent responsible for providing health and other non-pension benefits coverage for the Complainant as a Pensioner?

### Positions of the Parties

Position of the Complainant: The Respondent is responsible for providing health and other non-pension benefits coverage for the Complainant as a Pensioner.

Position of the Respondent: The Respondent is not responsible for providing health benefits coverage for the Complainant because the Complainant does not meet the eligibility requirements established pursuant to the 1988 Wage Agreement.

### 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 II A. of the 1974 Pension Plan provides:

### Article II - Eligibility A.

#### Age 55 Retirement

Any Participant who (a) has at least 10 years of signatory service or at least twenty years of credited service, including the required amount of signatory service as set forth in Article Iv(C)(6), and (b) has attained the age of 55 years (but not the age of 62) prior to retirement shall be eligible to retire on or after February 1, 1988, and shall upon his retirement (hereinafter "Age 55 Retirement") be eligible for a pension.

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 & 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) and (4) 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 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.

- (4) Health benefits shall not be provided during any month in which the Pensioner is regularly employed at an earnings rate equivalent to at least \$500 per month.

#### Discussion

The representative for the Respondent contends that the Complainant is not entitled to an Age 55 retirement pension. Regulations governing the determination of eligibility for a pension are set forth in the UMWA 1974 Pension Plan. Funds' staff have reviewed the evidence in the Complainant's pension file and affirmed the Funds' previous determination that the Complainant is entitled to an Age 55 retirement pension pursuant to Article II A. of the 1974 Pension Plan.

The determination of eligibility for health benefits coverage for a Pensioner is governed by the provisions of Article II B. of the Employer Benefit Plan.

Article II B. 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 receives a 1974 Pension Plan Age 55 retirement pension, not a deferred vested pension nor a pension based on service credited under Article II G, he is eligible for health benefits coverage as a Pensioner under Article II B. of the Employer Benefit Plan. Although the Respondent alleges that the Complainant may have exceeded the earnings limitation under Article II B. (4) of the Employer Benefit Plan, there is no evidence to support the Respondent's allegation.

The Respondent's representative also claims that the Respondent is not responsible for providing the Complainant's health benefits coverage because he became a Pensioner after the expiration of the 1984 Wage Agreement and he did not have "employee status" when the Respondent signed the 1988 Wage Agreement on April 14, 1988. Article XX Section (c)(3)(i) of the 1988 Wage Agreement 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. Inasmuch as the Respondent is signatory to the 1988 Wage Agreement and the Complainant is a Pensioner whose last signatory classified employment was with the Respondent, the Respondent is required to provide health benefits coverage for the Complainant as a Pensioner and for his eligible dependents from the effective date of his pension, July 1, 1989.

#### Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage for the Complainant and his eligible dependents, effective July 1, 1989, pursuant to the terms of the Wage Agreement and the Employer Benefit Plan.