

OPINION OF TRUSTEES

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In Re

Complainant: Surviving Spouse  
Respondent: Employer  
ROD Case No: 88-277 - 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 benefits coverage for the surviving spouse and dependents of an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is the surviving spouse of an Employee who worked in a classified position for the Respondent until July 7, 1988, when he became disabled due to chronic illness and was unable to return to work. Funds' records indicate that the Complainant's husband was eligible for Sickness and Accident ("S&A") benefits from July 8, 1988 through April 6, 1989. He was awarded Social Security Disability Insurance ("SSDI") benefits, effective January 1, 1989. Because he had completed over 20 years of credited service in the coal industry, the Complainant was eligible for health benefits coverage pursuant to Article II C. (1) of the Employer Benefit Plan when he died on December 10, 1989, at the age of 54. On February 2, 1990, Funds' staff notified the Complainant that she is eligible to receive a UMWA 1974 Pension Plan Pre-Retirement Survivor Annuity, effective May 1, 1990, the month following the month in which her husband would have attained retirement age (age 55).

The Respondent has refused to provide a life insurance benefit to the Complainant, and health benefits coverage for the Complainant and her dependents was terminated on December 31, 1989. The Respondent states that Article II C. provides life insurance coverage for a disabled Employee only if the Employee is receiving or would be eligible to receive S&A benefits. The Respondent states that the Complainant's husband's eligibility for S&A benefits ceased prior to his death; therefore, he was not entitled to life insurance coverage at the time of his death. The Respondent contends that, in accordance with Article II (3), the Complainant is eligible for health benefits coverage only to the end of the month in which her husband died.

Dispute

Is the Respondent required to provide a life insurance benefit to the Complainant and health benefits coverage to the Complainant and her dependents beyond the month in which her husband died?

Positions of the Parties

Position of the Complainant: The Respondent is required to provide a life insurance benefit and to provide health benefits coverage for the Complainant and her dependents beyond December 31, 1989, because the Complainant's husband was eligible for a pension and was being compensated as an active Employee when he died.

Position of the Respondent: As a disabled Employee, the Complainant's husband was not entitled to life insurance coverage at the time of his death; therefore, the Complainant is not entitled to a life insurance benefit. The Complainant and her dependents are only entitled to receive health benefits coverage to the end of the month in which her husband died, December 1989, in accordance with Article II E. (3) of the Employer Benefit Plan.

Pertinent Provisions

Article I (1), (2) and (4) 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.
- (4) "Employee" shall mean a person working in a classified job for the Employer, eligible to receive benefits hereunder.

Article II C. (1) and (3) and E. (1), (2) and (3) of the Employer Benefit Plan provide:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

C. Disabled Employees

In addition to disabled Pensioners who are receiving pension benefits and are therefore entitled to receive health benefits under paragraph B of this Article II, health benefits under Article III shall also be provided to any Employee who:

- (1) (a) Has completed 20 years of credited service, including the required number of years of signatory service pursuant to Article IV C. (6) of the 1974 Pension Plan or any corresponding paragraph of any successor thereto, and
  - (b) has not attained age 55, and
  - (c) became disabled after December 6, 1974 while in classified employment with the Employer, and
  - (d) is eligible for Social Security Disability Insurance Benefits under Title II of the Social Security Act or its successor;
- (3) Is receiving or would, upon proper application, be eligible to receive Sickness and Accident Benefits pursuant to the Wage Agreement.

Life and accidental death and dismemberment insurance shall also be provided to Employees described in [3] above.

E. Surviving Spouse and Dependents of Deceased Employees or Pensioners

Health benefits under Article III shall be provided to (i) any unmarried surviving spouse (who was living with or being supported by the Employee or Pensioner immediately prior to the Employee's or Pensioner's death) and (ii) such spouse's unmarried surviving dependent children as defined in subparagraphs (2) and (5) of paragraph D of an Employee or Pensioner who died:

- (1) As a result of a mine accident occurring on or after the effective date of the Plan while the Employee was working in a classified job for the Employer;
- (2) Under conditions which qualify such spouse for a Surviving Spouse benefit under the 1974 Pension Plan or any successor thereto;
- (3) At a time when such Employee or Pensioner is entitled to receive health benefits pursuant to paragraph A, B, or C of this Article II, provided that (i) if such Employee or Pensioner died prior to the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit, then only for the period that the spouse is eligible to receive death benefits in installment payments pursuant to paragraph C of Article III, or [ii] if such Employee or Pensioner died on or after the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit and life insurance benefits or death benefits are payable in a lump sum, then only for 60 months following the month of the death of such Employee or only for 22 months following the month of the death of such Pensioner. If life insurance benefits are not payable, health benefits shall be provided only to the end of the month in which the Employee or Pensioner died.

Article III B. (1) of the Employer Benefit Plan provides in pertinent part:

B. Life and Accidental Death and Dismemberment Insurance (1) Active Employees

Life and accidental death and dismemberment insurance will be provided for Employees, as described in Article II, Sections A. and C. (3)...

Discussion

The Complainant's husband ceased work on July 7, 1988 because of disability. Although the Complainant states that her husband was being compensated as an active Employee at the time of death in December 1989, the pay stubs submitted by the Complainant indicate that payments he received from the Respondent between January and November 1989 were for vacation, birthday, holiday and sick leave that he had accrued during his employment. Funds' records indicate that the last day of pay for hours worked was July 7, 1988. The Complainant also states that her husband was eligible for a pension at the time of his death; however, because he had not attained age 55, he was not eligible to receive a 1974 Pension Plan pension when he died on December 10, 1989. Thus, at the time of his death, the Complainant was not eligible for health benefits coverage as either an active Employee or a Pensioner. He was eligible for and receiving health benefits coverage as a disabled Employee pursuant to Article II C. (1) of the Employer Benefit Plan.

Article III B. (1) of the Employer Benefit Plan provides life and accidental death and dismemberment insurance coverage to active Employees and certain disabled Employees, as described in Article II A. and C. (3) of the Plan. Inasmuch as the Complainant's husband was receiving health benefits coverage as a disabled Employee pursuant to Article II C. (1) of the Plan at the time of his death, he was not entitled to life insurance coverage. Accordingly, the Respondent is not responsible for providing the Complainant with a life insurance benefit.

Article II E. (1) and (2) of the Employer Benefit Plan set forth two alternative circumstances under which a surviving spouse may qualify for health benefits coverage until remarriage. The Complainant is not entitled to coverage under Article II E. (1) because her husband's death was not the result of a mine accident. The Complainant is not entitled to coverage under Article II E. (2) because, as the surviving spouse of an Employee who died prior to retirement age, she is unable to satisfy the eligibility requirements for a Surviving Spouse benefit under the terms of the 1974 Pension Plan. Article II E. (3) of the Employer Benefit Plan stipulates that, if life insurance benefits are not payable, health benefits coverage for the surviving spouse of an Employee and her dependent children shall be provided only to the end of the month in which the Employee died. Inasmuch as life insurance benefits were not payable at the time of the Complainant's husband's death on December 10, 1989, the Respondent is not responsible for providing health benefits coverage for the Complainant and her dependents beyond December 31, 1989.

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The Respondent is not required to provide a life insurance benefit to the Complainant. The Respondent is also not required to provide health benefits coverage for the Complainant and her dependents beyond December 31, 1989, consistent with the terms of Article II E. of the Employer Benefit Plan.