
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No. 88-367 - April 24, 1991

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 oral surgery under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was injured while working in a classified job for the Respondent on March 4, 1983. As a result of his injury, he was unable to return to work and was awarded Workers' Compensation benefits. The Respondent provided health benefits coverage for the Complainant as a disabled Employee through March 31, 1984.

In April 1984, the Complainant applied for Social Security Disability Insurance ("SSDI") benefits under Title II of the Social Security Act. In November 1984, his application was approved on appeal by an Administrative Law Judge for a closed period of disability from March 14, 1983 through October 15, 1984. On March 28, 1990, the Complainant's SSDI application was reconsidered by an Administrative Law Judge who determined that the Complainant's disability did not cease on October 15, 1984, but has been continuous.

On May 10, 1990, the Complainant filed an application for pension benefits under the UMWA 1974 Pension Plan. The Complainant was notified by letter dated November 30, 1990 that he was awarded a 1974 Pension Plan Minimum Disability pension, retroactive to April 1, 1983. The Complainant was advised to contact the Respondent, his last signatory employer, regarding his eligibility for health benefits coverage as a Pensioner.

The Respondent reinstated health benefits coverage for the Complainant effective November 30, 1990. The Respondent contends that it has no obligation to provide health benefits coverage for the Complainant prior to November 30, 1990 (the date of the Complainant's pension award letter) because the Complainant had not qualified for SSDI and Disability Pension benefits, and therefore was not a Pensioner prior to that date.

Dispute

Is the Respondent required to provide health benefits coverage for the Complainant as a Pensioner prior to November 30, 1990?

Positions of the Parties

Position of the Complainant: The Respondent is required to provide health benefits coverage for the Complainant as a Pensioner retroactive to April 1, 1983, the effective date of his pension.

Position of the Respondent: The Respondent is not required to provide health benefits coverage for the Complainant as a Pensioner prior to November 30, 1990 because the Complainant did not become a Pensioner until November 30, 1990.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreements of 1981, 1984 and 1988 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.... 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 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 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 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.

Discussion

Article II B. of the Employer Benefit Plan provides health benefits coverage for Pensioners who are receiving pension benefits under the 1974 Pension Plan. Article I (5) of the Plan defines a "Pensioner" as any person who is receiving a pension, with certain exceptions not relevant here, under the 1974 Pension Plan whose last classified employment was with the Employer. Inasmuch as the Complainant is receiving a Minimum Disability pension, he satisfies the definition of "Pensioner" as set forth in Article I (5) of the Plan and is eligible for health benefits coverage under Article II B. of the Employer Benefit Plan established by his last signatory Employer, the Respondent.

The issue of when an Employer's responsibility to provide health benefits coverage commences has previously been addressed by the Trustees. In RODs 78-343, 81-521, 84-437 and 88-230 (copies enclosed herein), the Trustees concluded that an individual satisfies the definition of "Pensioner" as set forth in Article I (5) of the Employer Benefit Plan as of the effective date of his pension. Therefore, the Employer's obligation to provide health benefits coverage commences as of the pension effective date. The Complainant in this case became a Pensioner as defined in Article I (5) of the Plan effective April 1, 1983. Therefore, the Respondent is responsible for providing health benefits coverage for the Complainant and his eligible dependents from that date. Inasmuch as the Respondent provided health benefits coverage to the Complainant as a disabled Employee from April 1, 1983 through March 31, 1984, the Respondent is required to provide health benefits coverage for the Complainant as a Pensioner for the period from April 1, 1984 until November 30, 1990, when the Respondent previously reinstated the Complainant's coverage.

The Respondent contends that it is excused from its obligation to provide benefits under Article II B. because coverage cannot be "implemented through an insurance carrier" retroactively. The requirement under Article XX Section (c)(3)(i) of the Wage Agreement that an Employer establish an Employee benefit plan "implemented through an insurance carrier" refers only to the method for providing benefits coverage and does not address an Employer's obligation to provide such benefits. This requirement therefore cannot, in and of itself, relieve the Respondent of its obligation under Article II B. of the Employer Benefit Plan to provide benefits to the Complainant.

Opinion of the Trustees

The Respondent is required to provide health benefits coverage for the Complainant and his eligible dependents for the period from April 1, 1984 to November 30, 1990.