

OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 88-443 - September 25, 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 a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

On May 30, 1989, the Complainant was involved in a mine accident while working in a classified position for the Respondent. As a result of his injury, the Complainant was awarded Workers' Compensation benefits and did not return to work for the Respondent. On August 27, 1990, an Administrative Law Judge determined that the Complainant was eligible for Social Security Disability Insurance benefits with a disability onset date of May 31, 1989.

On October 8, 1990, the Complainant applied for disability pension benefits from the UMWA 1974 Pension Plan. He was notified by letter dated June 3, 1991 that he was eligible for a 1974 Pension Plan Minimum Disability pension, effective June 1, 1989. The Complainant was advised to contact the Respondent, his last signatory employer, regarding his eligibility for health benefits coverage as a Pensioner.

The Respondent states that the Complainant's Workers' Compensation benefits were terminated in January 1990 and that after the Complainant failed to respond to their repeated offers of a sedentary job, his employment with the Respondent was terminated. The Respondent contends that it has no obligation to provide health benefits coverage for the Complainant because his employment was properly terminated.

Dispute

Is the Respondent required to provide health benefits coverage for the Complainant as a Pensioner?

Positions of the Parties

Position of the Complainant: The Respondent is the Complainant's last employer and is required to provide health benefits coverage for the Complainant as a Pensioner.

Position of the Respondent: The Respondent is not required to provide health benefits coverage for the Complainant because the Complainant's employment was properly terminated.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 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....

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 B 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 (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.

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

D. General Provisions

(1) Continuation of Coverage

(e) Quit or Discharge

If an Employee quits (for any reason) or is discharged, health, life and accidental death and dismemberment insurance coverage will terminate as of the date last worked....

Discussion

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

The Respondent claims that because the Complainant's employment was terminated, it has no obligation to provide health benefits coverage for the Complainant. Article III D. (1)(e) of the Employer Benefit Plan states that if an Employee quits or is discharged, health benefits coverage will terminate as of the date last worked. However, the continuation of coverage provisions of Article III. D. (1) of the Plan apply only to Employees and are therefore not applicable with regard to the Complainant's eligibility for health benefits coverage as a Pensioner. Furthermore, Article XX Section (c)(3)(i) of the 1988 Wage Agreement clearly requires a signatory Employer to establish and maintain a benefit plan to provide health and other non-pension benefits for Pensioners whose last signatory classified employment was with such Employer. Inasmuch as the Complainant's last signatory classified employment was with the Respondent, and he is receiving a UMWA 1974 Pension Plan Minimum Disability pension, he is a Pensioner within the meaning of Article II B. and is entitled to health benefits coverage provided by the Respondent, effective June 1, 1989.

Opinion of the Trustees

The Respondent is required to provide health benefits coverage for the Complainant as a Pensioner, effective June 1, 1989, consistent with the terms of the Employer Benefit Plan.