
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 88-450 - October 29, 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 reimbursement of health insurance premiums for a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was injured while working in a classified job for the Respondent on February 18, 1988. The Complainant continued to work until he sustained another work-related injury on April 7, 1988. The Complainant returned to work on September 12, 1988, but ceased work again on September 15, 1988 because of disability. The Complainant was awarded Workers' Compensation benefits based on his work-related injuries. On April 30, 1990, an Administrative Law Judge determined that the Complainant was eligible for Social Security Disability Insurance benefits with a disability onset date of April 7, 1988.

The Complainant subsequently applied for disability pension benefits from the UMWA 1974 Pension Plan, and was notified by letter dated May 31, 1991, that he was eligible for a 1974 Pension Plan Minimum Disability pension, effective May 1, 1988. The Complainant was advised to contact his last signatory employer, the Respondent, concerning his eligibility for health benefits coverage.

The Respondent provided health benefits coverage for the Complainant as a disabled Employee from September 15, 1988 through September 30, 1989. Thereafter, the Complainant elected to continue coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), and he paid the premiums to the Respondent for such coverage for the months of October 1989 through May 1990. When the Respondent was notified of the Complainant's Minimum Disability pension award, the Complainant's coverage was reinstated retroactive to October 1, 1989.

The representative for the Complainant states that the Respondent has failed to reimburse the Complainant for the insurance premiums he paid for coverage from October 1989 through May 1990. The Respondent states that it is not required to reimburse the insurance premiums paid by the Complainant. The Respondent states that the Employer Benefit Plan does not address the reimbursement of insurance premiums paid by an Employee during a period when he was not a participant in the Plan, and therefore the Trustees may not render an opinion on this issue. The Respondent states that its position is supported by the Trustees' decision in ROD 273 (copy enclosed herein).

Dispute

Is the Respondent required to reimburse the Complainant for the insurance premiums paid for coverage from October 1989 through May 1990?

Positions of the Parties

Position of the Complainant: The Respondent is required to reimburse the Complainant for the premiums he paid for coverage during the months of October 1989 through May 1990 because the Complainant is entitled to health benefits coverage provided by the Respondent during that period.

Position of the Respondent: The Respondent is not required to reimburse the Complainant for the premiums he paid because the reimbursement of insurance premiums is not addressed in the Employer Benefit Plan, and therefore the Trustees may not render an opinion on this issue.

Pertinent Provisions

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(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

Article II B. of the Employer Benefit Plan provides health benefits coverage for a Pensioner who is receiving a pension under the 1974 Pension Plan, with certain exceptions not relevant here. Upon receiving notification in May 1991 that the Complainant had been awarded a 1974 Plan Minimum Disability pension effective May 1, 1988, the Respondent reinstated the Complainant's health benefits coverage retroactive to the effective date of his pension.

The Respondent has refused to reimburse the Complainant for premiums the Complainant paid for a COBRA continuation of coverage from October 1, 1989 through May 1990. The Respondent contends that its position is consistent with the Trustees' decision in ROD 273, which was issued on January 26, 1982. The issue in ROD 273 was whether the Employer was required to provide reimbursement for insurance premiums when the insurance was purchased by

the Employee from a third party insurer. However, the issue here is whether an Employer is required to provide reimbursement for premiums paid by an Employee directly to the Employer for continuation of coverage under COBRA.

The Trustees have previously determined that when an Employee has paid the Employer for the cost of insurance premiums to maintain coverage during a period when the Employer is obligated to provide coverage, the Employer is required to reimburse the Employee for the cost of the insurance premiums. See ROD 88-327 (copy enclosed herein). The Complainant in this case paid premiums directly to the Respondent for continuation of coverage under COBRA from October 1989 through May 1990, during which period the Respondent was required to provide coverage for the Complainant as a Pensioner. Therefore, consistent with the Trustees' decision in ROD 88-327, the Complainant is entitled to reimbursement for the COBRA premiums he paid for the months of October 1989 through May 1990.

Opinion of the Trustees

The Respondent is required to reimburse the Complainant for premiums paid for a COBRA continuation of coverage during the months of October 1989 through May 1990.