
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-451 - 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 provision of health benefits coverage for an Employee's parent under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is a classified Employee of the Respondent, a signatory Employer. The Complainant states that his mother has lived with him for over one year. He contends that he provides over one-half of her support and that she is eligible for health benefits coverage as his dependent.

The Respondent reviewed documentation provided by the Complainant concerning his mother's income and their household expenses. The Respondent states that the Complainant's mother's income provides over one-half of her support requirements; therefore, she is not eligible for benefits under the Employer Benefit Plan.

Dispute

Whether the Respondent is required to provide health benefits coverage for the Complainant's mother.

Positions of the Parties

Position of the Complainant: The Respondent is required to provide health benefits coverage for the Complainant's mother because she resides in the Complainant's household and the Complainant provides more than one-half of her support.

Position of the Respondent: The Respondent is not required to provide health benefits coverage to the Complainant's mother because the Complainant does not provide more than one-half of her support.

Pertinent Provisions

Article I (1), (2), (4) and 7 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.
- (7) "Dependent" shall mean any person described in Section D of Article II hereof.

Article II D. (3) of the Employer Benefit Plan provides:

Article II - Eligibility

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

D. Eligible Dependents

Health benefits under Article III shall be provided to the following members of the family of any Employee, Pensioner, or disabled Employee receiving health benefits pursuant to paragraphs A, B, or C of this Article II:

- (3) A parent of an eligible Employee, Pensioner or spouse, if the parent has been dependent upon and living in the same household (residence) with the eligible Employee or Pensioner for a continuous period of at least one year;

For purposes of this paragraph D, a person shall be considered dependent upon an eligible Employee, Pensioner or spouse' if such Employee, Pensioner or spouse provides on a regular basis over one-half of the support to such person.

Discussion

Article II D. of the Employer Benefit Plan states that health benefits coverage under Article III shall be provided to an Employee's parent, if the parent has been living in the same household with the eligible Employee for a continuous period of at least one year and the Employee provides over one-half of the parent's support. According to Q&A H-2 (81) (copy enclosed herein), support includes the fair rental value of lodging, reasonable cost of board, clothing, miscellaneous household services and education expenditures; support is not limited to necessities. Q&A H-2 (81) also indicates that, in determining dependency of a participant's parents, income from all sources is considered, including Social Security, Black Lung and pensions, as well as earnings from employment.

The Complainant submitted to the Respondent an estimate of \$11,367.10 for yearly household expenses. Upon review of the supporting documentation provided, it is evident that the Complainant included his mother's insurance costs and board in the calculation for household expenses. As these are personal expenses which are attributable to the Complainant's mother, they should not be included in household expenses. In addition, some of the expenses included in the household estimate are monthly charges, while others are yearly charges. Funds' staff have recalculated the yearly household expenses on the basis of the documentation provided. The information submitted by the Complainant, and upon which the Employer based its eligibility determination, shows that total household expenses equal approximately \$10,047.52. As the household consists of the Complainant and his mother, each person's pro rata portion of these expenses is \$5,023.76. In addition, the Complainant submitted information to the Respondent concerning expenses for health insurance and board which are attributable to the Complainant's mother, rather than the household as a whole, and which total approximately \$5,400. Combining the Complainant's mother's pro rata portion of household expenses and her claimed direct personal expenses shows total annual expenses for the Complainant's mother of approximately \$10,423.76, on the basis of the information provided.

It should be noted that the Complainant's mother's annual expenses may actually be less than \$10,423.76. The fair rental value of her lodging may have been overestimated by allowing both a monthly mortgage payment and a monthly charge of \$350.00 for board (described as "rent" on the receipts submitted by the Complainant). However, even if both amounts are allowed, the Complainant's mother's combined annual income of \$9,564.00 from Social Security and Black Lung benefits provides considerably more than 50% of her annual support requirements. Accordingly, the Trustees conclude that the Complainant does not provide over one-half of his mother's support and the Respondent is not required to provide health benefits coverage for her.

Opinion of the Trustees

The Respondent is not required to provide health benefits coverage for the Complainant's mother, under the terms of the Employer Benefit Plan.