

OPINION OF TRUSTEES

In Re

Complainants: Pensioner
Respondent: Employer
ROD Case No: 88-498 - December 4, 1992

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; Elliott A. Segal, 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 on February 22, 1979 while employed in a classified position by the Respondent and as a result of his injury was unable to return to work. The Respondent provided health benefits coverage for the Complainant through February 1979. The Complainant applied for pension benefits under the UMWA 1974 Pension Plan and on September 1991 was awarded a 1974 Pension Plan Minimum Disability pension retroactive to March 1, 1979. The Complainant was advised to contact his last signatory employer, the Respondent, regarding his eligibility for health benefits coverage.

Following the termination of the Complainant's health benefits coverage, the Complainant obtained private insurance coverage. The Complainant paid monthly premiums during the period from March 1979 through September 1991. The Respondent reinstated the Complainant's health benefits coverage effective March 1, 1979 when it was notified of the Complainant's pension award.

The representative for the Complainant contends that the Respondent is responsible for reimbursement of the health insurance premiums paid by the Complainant from March 1979 through September 1991.

Dispute

Is the Respondent required to provide reimbursement for the insurance premiums paid by the Complainant during the period from March 1979 through September 1991?

Positions of the Parties

Position of the Complainant: The Respondent is required to reimburse the Complainant for premiums paid during the period from March 1979 through September 1991 because the Complainant paid for the same coverage he had while employed by the Respondent and because the 'Nobel' court suite established that health insurance premiums may be reimbursed "under the applicable plan document."

Position of the Respondent: Consistent with previous decisions of the Trustees in RODs 81-17, 81-640, 81-660, 84-437, 88-161, 88-369 and 88-527, the Respondent is not required to reimburse the Complainant for private health insurance premiums that he paid to maintain coverage for a period during which he was later determined eligible for coverage as a Pensioner.

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:

(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.

Discussion

The issue of whether an Employer is obligated to reimburse a participant for premiums paid to purchase private health coverage during a period of eligibility has previously been addressed by the Trustees in RODs 81-17, 81-640, 81-660, 84-437, 88-161, 88-369 and 88-527 (copies enclosed herein). In those decisions, the Trustees concluded that the Employer's obligation is limited to reimbursing a beneficiary for medical expenses that are covered under the Employer Benefit Plan and that are incurred while the beneficiary is eligible for health benefits coverage under the Employer Benefit Plan. The Employer is not required to reimburse the beneficiary for premiums paid to purchase private health insurance coverage. The National Bituminous Coal Wage Agreement of 1988 and the Employer Benefit Plan established pursuant thereto contain no specific provisions requiring an Employer to reimburse beneficiaries for private health insurance premiums paid during a period for which the Employer is required to provide coverage pursuant to the Plan. Accordingly, the Respondent is not required to reimburse the Complainant for premiums paid for private health insurance coverage during the period from March 1979 through September 1991.

The Complainant's representative asserts that the 'Nobel' decision "established that health insurance premiums are a proper item of reimbursement...." The 'Nobel' decision addressed the issue of whether the UMWA 1974 Benefit Plan and Trust was required to provide benefits to Pensioners whose last signatory employer was not signatory to the National Bituminous Coal Wage Agreement of 1981, 1984 and/or 1988 and is not relevant to the particular facts presented here.

Opinion of the Trustees

The Respondent is not required to reimburse the Complainant for premiums paid to purchase private health insurance coverage during the period from March 1979 through September 1991.