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## OPINION OF TRUSTEES

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### In Re

Complainant: Employee  
Respondent: Employer  
ROD Case No: 88-500 - March 20, 1992

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 for an Employee's parent under the terms of the Employer Benefit Plan.

### Background Facts

The Complainant is a classified Employee of the Respondent who was laid off on June 30, 1985 and was recalled to work on July 9, 1991. The Complainant states that prior to his lay-off in 1985, the Respondent had provided health benefits coverage for his mother as his dependent. The Complainant claims that his mother is currently eligible for health benefits coverage because there has been no change in his mother's circumstances since he was laid off. The Complainant contends that the Respondent is required to provide health benefits coverage for his mother as his dependent effective the date he returned to work, July 9, 1991, and is required to reimburse his mother for medical expenses she has paid since that date.

The Respondent states that the Complainant failed to respond to numerous requests that he provide documentation concerning his mother's income and their household expenses. The Respondent states that the Complainant submitted documentation when this ROD was filed and that upon review of the documents denied the Complainant's request to enroll his mother as a dependent for health benefits coverage on the basis that the Complainant does not provide over one-half of his mother's support.

### 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 effective July 9, 1991, because she resides in the Complainant's household and the Complainant provides more than one-half of her support. The Respondent is also required to reimburse the Complainant's mother for covered medical expenses she has paid since July 9, 1991.

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 person 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 provided 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 Trustees have previously concluded in ROD 88-465 (copy enclosed herein) that an Employer may require Employees to furnish reasonably available information at reasonable intervals to establish, update, or verify date of birth, marital status and dependency for a spouse or a dependent.

The Complainant submitted to the Respondent an estimate of \$9,173.88 for yearly household expenses. Upon review of the estimate provided, it is evident that the Complainant included his mother's medical costs and a department store charge 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. 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 \$6,435.24. As the household consists of the Complainant and his mother, each person's pro rata portion of these expenses is \$3,217.62. In addition, the Complainant submitted information to the Respondent concerning expenses for medicine and a department store charge which are attributable to the Complainant's mother, rather than the household as a whole, and which total approximately \$2,738.64. 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 \$5,956.26 on the basis of the information provided.

The Complainant's mother's combined annual income from Social Security and rental income equals approximately \$8,640.00. Thus, her income provides more than 50% of her annual support requirements. Accordingly, the Trustees conclude that the Complainant does not provide

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over one-half of her support and the Respondent is not required to provide health benefits coverage for the Complainant's mother.

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.