

OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 88-527 - August 26, 1992

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Elliot 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 provision of health benefits coverage for a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was injured on October 9, 1989, while working in a classified job for the Respondent. As a result of this injury, the Complainant was awarded Worker's Compensation benefits. In settlement of this Worker's Compensation case, Complainant signed a Final Order waiving all other benefits due from the Respondent, with certain exceptions.

Paragraph 4(c) and (d) of the Final Order of the Worker's Compensation case states, in pertinent part:

"The Insurer shall pay necessary, reasonable and authorized medical expenses incurred by the Employee through and only through October 15, 1991, which were causally related to the Employee's accidental injury of October 9, 1989. The Insurer shall also pay necessary and reasonable, and authorized medical expenses incurred by the Employee from October 15, 1991, through, and only through October 9, 1992, to and only to or only upon referral by or recommendation of Dr. (name deleted for ROD), which are causally related to the Employee's accidental injury of October 9, 1989. Neither the Employer nor the Insurer are to be responsible for any other medical expenses, regardless of the cause, incurred or to be incurred by the Employee. Rather, all of such other medical expenses are to be the responsibility of the Employee.

"The foregoing shall constitute a complete and final settlement of, and a complete and final release and discharge from, any and all liability by the Employer and the Insurer for any and all claims (including but not limited to those for weekly compensation, loss of

use, attorneys' fees, vocational rehabilitation training services, and medical benefits), whether past, present or future, whether known or unknown, arising out of, resulting from, or related to any and all of the Employee's past employment with the Employer and any and all conditions related thereto, including but not limited to the Employee's accident on or about October 9, 1989, and any and all conditions related thereto, and any changes in condition, recurrences, aggravations, or accelerations thereof and any and all conditions related thereto."

The Complainant worked intermittently after the date of the injury, and ceased working for the Respondent on October 26, 1989, because of disability. In February 1990, the Complainant applied for Social Security Disability Insurance ("SSDI") benefits under Title II of the Social Security Act. His application was approved on April 23, 1990, with a disability onset date of October 26, 1989.

On June 19, 1989, the Complainant applied for benefits from the UMWA 1974 Pension Plan. The Complainant was notified by letter dated August 21, 1990, that he was eligible for a 1974 Pension Plan Disability pension, effective November 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's insurance carrier notified the Complainant by letter dated December 27, 1991 that his health benefits coverage had terminated effective November 1, 1991. The Complainant, however, was offered continued coverage, retroactive to the cut-off date, at his own expense. The Complainant states that because he was hospitalized in November 1991 and was unaware at that time that his health benefits coverage had been cancelled, he submitted a premium payment to the insurance carrier to obtain private insurance coverage from November 1, 1991 through January 15, 1992.

The representative for the Complainant states that the Respondent is required to provide health benefits coverage for the Complainant as a Pensioner and to reimburse the Complainant for the insurance premium he paid for coverage from November 1, 1991 through January 15, 1992. The Respondent contends that the Complainant is not entitled to health benefits coverage under the Employer Benefit Plan because, in settling the Worker's Compensation claim, the Complainant waived all rights to benefits from the Respondent.

Dispute

Is the Respondent required to provide health benefits coverage for the Complainant as a Pensioner and for reimbursement of the premium paid by the Complainant for coverage from November 1, 1991 through January 15, 1992?

Positions of the Parties

Position of the Complainant: The Respondent is required to provide health benefits coverage for the Complainant as a Pensioner and for reimbursement of the premium paid by the Complainant for health coverage from November 1, 1991 through January 15, 1992.

Position of the Respondent: The complainant is not entitled to health benefits coverage under the Employer Benefit Plan because in settling the Worker's Compensation claim, the Complainant waived his rights to all benefits, including health benefits, from the Respondent.

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(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 III 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 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 would be eligible for health benefits coverage under Article II B. thereof.

The Complainant's last signatory classified employment was with the Respondent and he is receiving a UMWA 1974 Pension Plan Disability pension effective November 1, 1989. Accordingly, the Respondent would be required to reimburse the Complainant for covered medical expenses incurred beyond October 31, 1991, during his eligibility for coverage under the Employer Benefit Plan, provided proper documentation were submitted.

The Respondent asserts that the Worker's Compensation agreement constitutes a complete waiver of the Complainant's rights under the Employer Benefit Plan. However, the agreement clearly contemplates a settlement of complainant's medical expenses arising from his work injury and is not meant to serve as a general waiver of Complainant's right to health benefit coverage

under the Employer Benefit Plan for conditions unrelated to his employment with the Respondent.

Complainant also seeks reimbursement for premiums paid for health insurance coverage from November 1, 1991 through January 15, 1992. 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 during a period for which the Employer is required to provide coverage pursuant to the Plan. As the Trustees concluded in prior RODs addressing this issue, the Employer's obligation is limited to reimbursing a beneficiary for medical expenses that are covered under the Employer Benefit Plan; the Employer is not required to reimburse the beneficiary for premiums paid for private health insurance coverage. (See RODs 88-161, 81-660 and 81-640, copies of which are attached.)

Opinion of the Trustees

The Respondent is required to pay the Plan-covered medical expenses incurred by the Complainant and his eligible dependents, except for those accident-related medical expenses described in the Worker's Compensation Final Order dated November 21, 1991. The Respondent is not required to reimburse the Complainant for the insurance premiums paid to the third party insurer for coverage from November 1, 1991 through January 15, 1992.