
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 88-564 - May 7, 1992

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., 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 while working in a classified job for the Respondent on October 9, 1985. As a result of his injury, he was unable to return to work and was awarded Workers' Compensation benefits. The Respondent provided health benefits coverage for the Complainant as a disabled Employee through October 31, 1986.

In April 1987, the Complainant applied for Social Security Disability Insurance ("SSDI") benefits under Title II of the Social Security Act. In December 1988, his application was approved on appeal by an Administrative Law Judge with a disability onset date of October 9, 1985.

On January 9, 1989, the Complainant filed an application for pension benefits under the UMWA 1974 Pension Plan. The Complainant was notified by letter dated October 4, 1989 that he was awarded a 1974 Pension Plan Disability pension, retroactive to November 1, 1985. The Complainant was advised to contact the Respondent, his last signatory employer, regarding his eligibility for health benefits coverage as a Pensioner.

The Respondent reinstated health benefits coverage for the Complainant effective October 4, 1989, the date of the Complainant's pension award letter. The Complainant contends that the Respondent is required to provide benefits for medical expenses incurred by him and his dependents during the period from November 1, 1986 to October 3, 1989.

The Respondent claims that a previous decision of the Trustees in ROD 84-440, concerns the same matter and the same Complainant and that based on this previous opinion, the Respondent

is not responsible for payment of outstanding medical bills incurred by the Complainant from October 31, 1986 to October 3, 1989.

Dispute

Is the Respondent required to provide health benefits coverage for the Complainant as a Pensioner prior to October 4, 1989?

Positions of the Parties

Position of the Complainant: The Respondent is required to provide health benefits coverage for the Complainant as a Pensioner during the period from November 1, 1986, to October 3, 1989.

Position of the Respondent: The Respondent is not required to provide health benefits coverage for the Complainant as a Pensioner prior to October 4, 1989 based on a previous opinion of the Trustees in ROD 84-440.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreements of 1984 and 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.... The plans established pursuant to this subsection are incorporated by reference and made a part of this Agreement, and the terms and conditions under which the health and other non-pension benefits will be provided under such plans are as to be set forth in such plans.

Article I (1), (2) and (5) of the 1984 and 1988 Employer Benefit Plans 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 1984 [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 1984 and 1988 Employer Benefit Plans 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) October 1, 1984 [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 Pensioners who are receiving pension benefits under the 1974 Pension Plan. Article I (5) of the Plan defines a "Pensioner" as any person who is receiving a pension, with certain exceptions not relevant here, under the 1974 Pension Plan whose last classified employment was with the Employer.

Inasmuch as the Complainant is receiving a Disability pension, he satisfies the definition of "Pensioner" as set forth in Article I (5) of the Plan and is eligible for health benefits coverage under Article II B. of the Employer Benefit Plan established by his last signatory Employer, the Respondent.

The issue of when an Employer's responsibility to provide health benefits coverage commences has previously been addressed by the Trustees. In RODs 78-343, 81-521, 84-437, 88-230 and 88-367 (copies enclosed herein), the Trustees concluded that an individual satisfies the definition of "Pensioner" as set forth in Article I (5) of the Employer Benefit Plan as of the effective date of his pension. Therefore, the Employer's obligation to provide health benefits coverage commences as of the pension effective date. The Complainant in this case became a Pensioner as defined in Article I (5) of the Plan effective November 1, 1985. Therefore, the Respondent is responsible for providing health benefits coverage for the Complainant and his eligible dependents from that date. Inasmuch as the Respondent provided health benefits coverage to the Complainant as a disabled Employee from October 9, 1985 through October 31, 1986, the Respondent is required to provide health benefits coverage for the Complainant as a Pensioner for the period from November 1, 1986 until October 4, 1989, when the Respondent reinstated the Complainant's coverage.

Although the Respondent states that its position is supported by the Trustees' decision in ROD 84-440, the decision in that case is not relevant to the particular facts here. In that case the Complainant was seeking health benefits coverage as a disabled Employee under Article III. C., whereas here the Complainant is seeking coverage as a Pensioner under Article II. B.

Opinion of the Trustees

The Respondent is required to provide health benefits coverage for the Complainant and his eligible dependents for the period from November 1, 1986 to October 4, 1989.