
OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse of a Deceased Pensioner
Respondent: Employer
ROD Case No: 88-688 - November 18, 1993

Board of Trustees: Michael H. Holland, Chairman; Thomas F. Connors, Trustee;
Marty D. Hudson, Trustee; Robert T. Wallace, Trustee.

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of health benefits coverage for the grandchild of a deceased Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is the Surviving Spouse of a 1974 Pension Plan Pensioner who died on September 7, 1992 and whose last signatory Employer was the Respondent. The Respondent provided health benefits coverage for the Complainant's granddaughter (whose date of birth is August 10, 1980) as an eligible dependent of the Pensioner. The Respondent notified the Complainant by letter dated January 28, 1993 that health benefits coverage for the Complainant's granddaughter was cancelled effective January 1, 1993 because the granddaughter no longer meets the definition of an eligible dependent under the Employer Benefit Plan. The Respondent offered the Complainant the opportunity to continue such coverage for the granddaughter at her expense for a period up to 36 months under the Consolidation Omnibus Budget Reconciliation Act of 1985 (COBRA).

The Complainant claims that her granddaughter's dependent status has not changed since the death of her husband because the granddaughter still lives with and is supported by the Complainant. The Complainant states that the Respondent should reinstate her granddaughter's health benefits coverage under the Employer Benefit Plan.

Dispute

Is the Complainant's granddaughter eligible for health benefits coverage under the terms of the Employer Benefit Plan?

Positions of the Parties

Position of the Complainant: The Respondent should reinstate the Complainant's granddaughter's health benefits coverage because the granddaughter continues to live with and is supported by the Complainant.

Position of the Respondent: The Complainant's granddaughter is not entitled to health benefits coverage because she is not a covered dependent of a surviving spouse as described under the terms of the Employer Benefit Plan.

Pertinent Provisions

Article I (1), (2), (5) 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.
- (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.
- (7) "Dependent" shall mean any person described in Section D of Article II hereof.

Article II D. (2), (4), (5) and E. of the Employer Benefit Plan provide:

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:

- (2) Unmarried dependent children of an eligible Employee or Pensioner who have not attained age 22;

- (4) Unmarried dependent grandchildren of an eligible Employee, Pensioner or spouse who have not attained age 22 and are living in the same household (residence) with such Employee or Pensioner;
- (5) Dependent children (of any age), of an eligible Employee, Pensioner or spouse, who are mentally retarded or who become disabled prior to attaining age 22 and such disability is continuous and are either living in the same household with such Employee or Pensioner or are confined to an institution for care or treatment. Health benefits for such children will continue as long as a surviving parent is eligible for health benefits.

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.

E. Surviving Spouse and Dependents of Deceased Employees or Pensioners

Health benefits under Article III shall be provided to (i) any unmarried surviving spouse (who was living with or being supported by the Employee or Pensioner immediately prior to the Employee's or Pensioner's death) and (ii) such spouse's unmarried surviving dependent children as defined in subparagraphs (2) and (5) of paragraph D of an Employee or Pensioner who died:

- (1) As a result of a mine accident occurring on or after the effective date of the Plan while the Employee was working in a classified job for the Employer;
- (2) Under conditions which qualify such spouse for a Surviving Spouse benefit under the 1974 Pension Plan or any successor thereto;
- (3) At a time when such Employee or Pensioner is entitled to receive health benefits pursuant to paragraph A, B, or C of this Article II, provided that (i) if such Employee or Pensioner died prior to the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit, then only for the period that the spouse is eligible to receive death benefits in installment payments pursuant to paragraph C of Article III, or (ii) if such Employee or Pensioner died on or after the effective date of the Wage Agreement and the spouse is not eligible for a Surviving Spouse's benefit and life insurance benefits or death benefits are payable in a lump sum, then only for 60 months following the month of the death of such Employee or only for 22 months following the month of the death of such Pensioner. If life insurance benefits are not payable, health benefits shall

be provided only to the end of the month in which the Employee or Pensioner died.

Discussion

Under Article II E. of the Employer Benefit Plan, the surviving spouse of a deceased Pensioner and such spouse's unmarried surviving dependent children are entitled to receive health benefits coverage. There is no Plan provision that requires an Employer to provide health benefits coverage for the grandchild of a deceased Pensioner. Therefore, the Respondent is not required to provide health benefits coverage for the Complainant's granddaughter.

Opinion of the Trustees

The Respondent is not required to provide health benefits coverage for the Complainant's granddaughter.