

OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 88-850 - August 3, 1995

Trustees: Thomas F. Connors, Michael H. Holland, Marty D. Hudson and Robert T. Wallace.

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of benefits under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is the surviving spouse of an Employee who last worked in a classified position for Respondent on September 29, 1993, when he was laid off. The Complainant's husband died on October 11, 1993, at age 54. At the time of his death, the Complainant's husband was receiving continuation of coverage as a laid off Employee. The Respondent provided the Complainant with a lump sum life insurance benefit. The Complainant states that the Respondent has refused to provide her with health benefits coverage.

The Respondent was signatory to the National Bituminous Coal Wage Agreement (Wage Agreement) of 1988 which expired on February 1, 1993. On August 13, 1993, the Respondent signed an 1993 Interim Agreement signifying its intent to be bound by the terms of the "Successor National Agreement." The Interim Agreement also provides that "[i]n the event there is a period of time between February 1, 1993 and the effective date of the successor National Agreement, the parties agree ... [a]ll terms and conditions of the 1988 National Agreement ... shall continue to apply to the UMWA bargaining unit during said period." The Wage Agreement of 1993 was ratified on December 16, 1993.

Dispute

Is the Respondent required to provide health benefits coverage for the Complainant?

Positions of the Parties

Position of the Complainant: The Respondent is required to provide health benefits coverage to the Complainant.

Position of the Respondent: The Respondent is not required to provide health benefits coverage for the Complainant because the Complainant's husband was not an active Employee at the time of his death.

Pertinent Provisions

Article I (1), (2), and (4) 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.

Article II. A. (4) of the Employer Benefit Plan provides:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

A. Active Employee

Benefits under Article III shall be provided to any Employee who:

- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

Article II E. (3) of the Employer Benefit Plan provides:

Article II - Eligibility

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:

- (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 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.

Health benefits shall continue for a surviving spouse until remarriage of such spouse, but if such spouse is entitled to such benefits under paragraph (3) above, such health benefits will continue not longer than for the period specified in paragraph (3) above. Health benefits shall not be provided during any month in which such surviving spouse is regularly employed at an earnings rate equivalent to at least \$500 a month.

Article III D. (1) (a) of the Employer Benefit Plan provide:

Article III - Benefits

D. General Provisions

(1) Continuation of Coverage

(a) Layoff

If an Employee ceases work because of layoff, continuation of health, life and accidental death and dismemberment insurance coverage is as follows:

Number of Hours Worked for
the Employer in the 24

Consecutive Calendar Month

Period Immediately Prior to

the Employee's Date Last Worked

2,000 or more hours

Period of Coverage

Continuation from the

Date Last Worked

Balance of month plus 12 months

500 or more but less than 2,000 hours Balance of month plus 6 months

Discussion

The Respondent was signatory to the 1988 Wage Agreement, which expired on February 1, 1993. On August 13, 1993, the Respondent signed an Interim Agreement which extended the terms of the 1988 Wage Agreement until December 16, 1993, when the 1993 Wage Agreement was ratified. The Complainant's husband died during the extension period of the 1988 Wage Agreement on October 11, 1993.

Article XX (c) (3) (i) of the National Bituminous Coal Wage Agreement of 1988 establishes that each signatory Employer shall provide health and other non-pension benefits for its Employees covered by the 1988 Wage Agreement. The benefits provided by the Employer to its eligible Participants shall be guaranteed during the term of the 1988 Wage Agreement at the levels set forth in the Employer Benefit Plan. Accordingly, the Respondent, pursuant to the 1993 Interim Agreement, must guarantee health benefits coverage to its eligible Participants under the extension period of the 1988 Wage Agreement at the levels set forth in the Employer Benefit Plan.

Article II E. (3) of the Employer Benefit Plan provides health benefits for the unmarried surviving spouse of an Employee who died while entitled to receive health benefits pursuant to Article II A, B, or C of the Employer Benefit Plan. Article II A. provides health benefits coverage under Article III to an Employee from the first day worked. Under Article III D. (a) an Employee is entitled to continuation of coverage for a period based upon the number of hours the Employee worked for the Employer in the 24-month period prior to his last date worked. Inasmuch as the Complainant is the unmarried surviving spouse of an Employee who died while entitled to receive health benefits pursuant to Article II A of the Employer Benefit Plan, the Respondent is required to provide her health benefits coverage.

Article II E. (3) (ii) of the Employer Benefit Plan requires a signatory Employer to provide health benefits to the unmarried surviving spouse of an active Employee for a 60-month period, if such Employee died on or after the effective date of the Wage Agreement, if the surviving spouse is not eligible for a Surviving Spouse pension benefit, and if life insurance or death benefits are payable in a lump sum. Inasmuch as the Complainant's husband died after the effective date of the 1988 Wage Agreement and during the extension period, the Complainant is not eligible for a Surviving Spouse benefit, and life insurance benefits were paid in a lump sum, the Respondent is required to provide the Complainant with health benefits coverage during the extension period of the 1988 Wage Agreement beginning with the month after her husband's death, provided she continues to meet the eligibility requirements of Article II E.

Opinion of the Trustees

The Respondent is required to provide health benefits to the Complainant during the extension period of the 1988 Wage Agreement beginning with the month after the Complainant's husband's death, consistent with the requirements of Article II E. of the Employer Benefit Plan.