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OPINION OF TRUSTEES

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In Re

Complainant: Surviving Spouse  
Respondent: Employer  
ROD Case No: 93-027 - March 4, 1997

Trustees: Thomas F. Connors, Michael H. Holland, Donald E. Pierce, Jr.,  
and Elliot A. Segal.

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 for the Respondent. The Complainant's husband died on March 18, 1995, by suicide. A representative for the Complainant states that the Respondent is required to provide a life insurance benefit and health benefits coverage for the Complainant.

The Respondent states that the Employee was recalled from layoff on October 11, 1994, worked nine days and then ceased working on October 24, 1994. Funds' records indicate that prior to his recall, the Employee last worked for the Respondent in June 1992. On November 30, 1994, the Respondent received a sickness and accident disability form from the Employee. The Employee was paid for one day of sickness and accident coverage after which the Respondent had no contact with the Employee. The Respondent sent the Employee a letter dated March 2, 1995, asking him to contact the Respondent within six days of receipt of the letter or disciplinary action would be taken. The Employee contacted the Respondent on March 6 or 7. The Respondent states that the Employee claimed he was going to resign his employment and the Respondent requested that he send in a signed statement to that effect. When the Respondent had not received any correspondence from the Employee by March 17, 1995, the Respondent tried to contact the Employee by telephone. On March 18, 1995, the Respondent spoke with the Complainant and stated that it would mail the Employee a statement of resignation to sign. The Employee died the same day, before the Respondent had an opportunity to mail the statement of resignation to the Employee.

The Complainant is not eligible for a surviving spouse benefit under the 1974 Pension Plan.

Dispute

Is the Respondent required to provide a life insurance benefit and health benefits coverage for the Complainant?

#### Positions of the Parties

Position of the Complainant: The Respondent is required to provide a life insurance benefit and health benefits coverage for the Complainant because the Employee was eligible for sickness and accident benefits at the time of his death.

Position of the Respondent: The Respondent is not required to provide a life insurance benefit or health benefits coverage for the Complainant because the Employee had resigned his employment prior to his death. The Employee was not eligible for medical or life insurance benefits as an active or disabled 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 1993, 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 A. (2), (3) and (4) and II E. (3) of the Employer Benefit Plan provides in pertinent part:

##### Article II - Eligibility

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

###### A. Active Employees

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

(2) is on layoff or disabled from the Employer and had continuing eligibility as of the Effective Date of the Wage Agreement for coverage under the 1988 Employer's Benefit Plan ("prior Plan") as a laid-off or disabled employee. Coverage for such laid-off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for coverage under the provisions of the prior Plan.

(3) is on leave under section 102 of the Family and Medical Leave Act of 1993, subject to Article III. A (10)(g).

(4) Except as provided in subsection (2) and (3) above, any Employee of the Employer who is not actively at work<sup>1</sup> for the Employer on the Effective Date of the Wage Agreement will not be eligible for coverage under the Plan until he returns to active employment with the Employer.

Any Employee of the Employer who as of February 1, 1993, was eligible for benefits under the prior Plan who is not scheduled to work within two weeks after the Effective Date of the Wage Agreement because of lack of work, will, if eligible under Article III. D (1) (a) of this Plan, be considered eligible for coverage under this Plan as of the Effective Date of the Wage Agreement but as an Employee on layoff as of such date.

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 subsections (2) and (5) of section 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 section 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 section 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 under any plan maintained pursuant to Article XX of the National Bituminous Coal Wage Agreement of 1993 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.

Health benefits shall continue for a surviving spouse until remarriage of such spouse, but if such spouse is entitled to such benefits under subsection (3) above, such health benefits will continue not longer than for the period specified in subsection (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 \$1,000 a month.

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\*Actively at work includes an Employee of the Employer who was actively at work on February 1, 1993, and who returns to active work with the Employer two weeks after the Effective Date of the Wage Agreement.

Article III B. (1) of the Employer Benefit Plan provides:

B. Life and Accidental Death and Dismemberment Insurance for Active Employees

Life and accidental death and dismemberment insurance will be provided for Employees, as described in Article II, Sections A and C (3), in accordance with the following schedule:

1. Upon the death of an Employee (including an Employee on authorized strike against the Employer following expiration of the 1988 NBCWA) due to other than violent, external and accidental means prior to the Effective Date of the 1993 NBCWA, life insurance in the amount of \$35,000 will be paid to the Employee's named beneficiary. Upon the death of an Employee due to other than violent, external and accidental means on or after the Effective Date of the 1993 NBCWA, life insurance in the amount of \$50,000 will be paid to the Employee's named beneficiary.

Article III D. (1) (e) of the Employer Benefit Plan provides in pertinent part:

Article III - Benefits

D. General Provisions

(1) Continuation of Coverage

(e) Quit or Discharge

If an Employee quits (for any reason) or is discharged, health, life and accidental death and dismemberment insurance coverage will terminate as of the date last worked. . . .

Discussion

Under Article II. A. of the Employer Benefit Plan, health benefits are provided to "Active Employees" which includes an Employee who is not actively at work for the Employer on the Effective Date of the Wage Agreement and whose coverage under the Plan will not commence until the Employee returns to active employment with the Employer. Because the Employee in this case was not actively working for the Respondent on the effective date of the 1993 Wage Agreement, his eligibility for health benefits coverage under the Employer Benefit Plan commenced when he returned to work on October 11, 1994. The only conditions under which an Employee's health benefits can be terminated are set forth in Article III. D. (1)(c) and (e) of the Employer Benefit Plan. Article III. D. (1)(c), concerning approved leaves of absence, is not relevant here. Article III. D. (1)(e) provides that if an Employee quits or is discharged, health benefits coverage will cease as of the date last worked. Although the Respondent claims that the Employee had resigned his employment, the Respondent states that it did not receive a letter of resignation from the Employee. Consequently, there was no evidence submitted to establish that the Employee had quit his job with the Respondent. (See ROD 51.) Thus, because the Employee satisfied the definition of "Active Employee" under Article II A. (4) and had not quit or been discharged, the Employee was eligible for health benefits coverage under Article II A. at the time of his death.

Article III B. (1) of the Employer Benefit Plan provides life insurance coverage to Employees as described in Article II A. of the Plan. The Employee was eligible to receive health benefits coverage under Article II A. of the Employer Benefit Plan at the time of his death. Therefore, the Employee's named beneficiary, the Complainant, is entitled to a life insurance benefit of \$50,000.

Under Article II E. (3) (ii) of the Employer Benefit Plan, the unmarried surviving spouse of an Employee who died while eligible to receive health benefits pursuant to Article II A. is eligible to receive health benefits for 60 months following the Employee's death, if such spouse is not eligible to receive a Surviving Spouse benefit and life insurance benefits are payable in a lump sum. The Complainant meets these requirements. Accordingly, the Respondent is required to provide the Complainant with health benefits coverage for 60 months following the month of her husband's death or through March 31, 2000, provided she continues to meet the eligibility requirements of Article II E.

The Respondent is required to provide a \$50,000 life insurance benefit to the Complainant and to provide health benefits coverage for the Complainant through March 31, 2000, provided she otherwise meets the eligibility requirements of Article II E. of the Employer Benefit Plan.