

OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 93-030 - June 6, 1996

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 was injured on January 7, 1985, while working in a classified job for the Respondent. As a result of this injury, the Complainant was awarded Workers' Compensation benefits. In settlement of this Workers' Compensation claim, the Complainant signed a Settlement Agreement and Release which was approved by The Industrial Commission of Ohio on January 27, 1989.

The first paragraph under the Settlement Agreement and Release states in pertinent part:

"I, [Complainant's name] . . . forever release and discharge said employer . . . from any and all claims, demands, actions or causes of action incurred on or prior to the date of this agreement . . . which I now have or which I may hereafter claim to have, . . . growing out of my employment with said employer . . ."

Paragraph (2) of the Settlement Agreement and Release states that:

"The parties further agree that if the above claim or any other claim being settled, has been recognized or allowed then the cost of all medical services, nursing services, hospital bills, drugs, and medicines filed with the Bureau or Commission prior to the date of entering into this agreement shall be the responsibility of the employer but if such costs were incurred prior to the date of this agreement and have not been filed with the Bureau or Commission prior to the date of this agreement then the cost of such services shall be the responsibility of the claimant. The cost of all medical services provided to the claimant on or after the date of this agreement are the responsibility of the claimant."

The Complainant applied for benefits from the UMWA 1974 Pension Plan in July 1990. The Complainant was notified by letter dated September 15, 1993, that he was eligible for a 1974 Pension Plan Disability pension effective November 1, 1988. The Complainant was advised to

contact the Respondent, his last signatory Employer, regarding his eligibility for health benefits coverage as a Pensioner. The Complainant states that the Respondent has failed to provide him with health benefits coverage.

Dispute

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

Positions of the Parties

Position of the Complainant: The Respondent is required to provide health benefits coverage for the Complainant as a Pensioner.

Position of the Respondent: The Complainant is not entitled to health benefits coverage under the Employer Benefit Plan because the Complainant waived his rights to all benefits including health benefits from the Respondent when he settled his Workers' Compensation claim.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1988 and 1993 provides, in pertinent part: (The pertinent sections in both Wage Agreements are identical except for the section we have bracketed that was added in the 1993 Wage Agreement.)

(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 [and who are not eligible to receive benefits from a plan maintained pursuant to the Coal Act]. 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: (Bracketed section under (5) indicates language added to the 1993 Wage Agreement.)

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 [1993], 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. ["Pensioner shall not mean any individual entitled to benefits under section 9711 of the Internal Revenue Code of 1986, as amended by the Coal Industry Retiree Health Benefit act of 1992].

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:
(Bracketed section indicates language deleted from the 1993 Wage Agreement.)

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], February 1, 1993, 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(5) 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 Respondent asserts that the Workers' Compensation settlement agreement constitutes a complete waiver of the Complainant's rights under the Employer Benefit Plan. In ROD 88-527, the Trustees found that a settlement agreement for a Workers' Compensation case "clearly contemplates a settlement of the Complainant's medical expenses arising from his work injury and is not meant to serve as a general waiver of the Complainant's right to health benefit coverage under the Employer Benefit Plan for conditions unrelated to his employment with the Respondent." Inasmuch as the Complainant's Workers' Compensation settlement agreement is a settlement of his medical expenses arising from his work injury on January 7, 1985, the Respondent is required to provide health benefits coverage for the Complainant as a Pensioner.

Opinion of the Trustees

The Respondent is required to provide health benefits coverage to the Complainant as a Pensioner and to his eligible dependents. The Respondent is not required to provide coverage for the accident-related medical expenses described in the Complainant's Workers' Compensation Settlement Agreement and Release approved by the Industrial Commission of Ohio on January 27, 1989.