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OPINION OF TRUSTEES

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In Re

Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 93-108 – January 10, 2001

Trustees: A. Frank Dunham, Michael H. Holland, Marty D. Hudson 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

By letter dated December 29, 1998, the Funds notified the Complainant that he was eligible for a UMWA 1974 Pension Plan disability pension, effective December 1, 1996. The Complainant was advised to contact the Respondent, his last signatory Employer, regarding his eligibility for health benefits coverage as a Pensioner. The Complainant contacted the Respondent and the Respondent has refused to provide health benefits coverage for the Complainant.

Dispute

Is the Respondent required to provide health benefits coverage for the Complainant as a Pensioner effective December 1, 1996?

Positions of the Parties

Position of the Complainant: The Complainant is eligible for a disability pension under the 1974 Pension Plan; therefore, the Respondent is required to provide health benefits coverage for the Complainant as a Pensioner.

Position of the Respondent: The Respondent is not required to provide health benefits coverage for the Complainant because based on previous opinions of the Trustees in RODS 81-586 and 88-378, the Complainant did not become disabled during a period of eligibility for coverage. In addition, the Respondent is not required to provide health benefits coverage beyond the termination of the 1993 National Bituminous Coal Wage Agreement (Wage Agreement) based on previous opinions of the Trustees in RODs 81-586 and 81-713. Finally, the Respondent is not required to provide benefits coverage retroactive to December 1, 1996, because the Complainant was awarded Social Security Disability Insurance benefits after the expiration of the 1993 Wage Agreement.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1993 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 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 plan shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plan. . . .

Article I (1), (2) and (5) of the 1993 Employer Benefit Plan provide:

Article I - Definitions

- (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.
- (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 credit 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 1993 Employer Benefit Plan provides:

Article II - Eligibility

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

B. Pensioners

Health benefits 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, 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 II B. of the Employer Benefit Plan established pursuant to the 1993 Wage Agreement states that health benefits coverage shall be provided for Pensioners who are receiving pension benefits under the 1974 Pension Plan. Article I (5) of the Employer Benefit Plan defines such Pensioners as any person whose last classified signatory employment was with the Employer, and who is receiving a pension under the UMWA 1974 Pension Plan with certain exceptions not relevant here. The Complainant is receiving a disability pension from the 1974 Pension Plan. Therefore, 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.

Although the Respondent argues that the Complainant is not eligible for coverage based on the Trustees' decisions in RODs 81-586, 81-713 and 88-378, the decisions in those cases are not relevant to the particular facts here. The Complainant in this case is seeking coverage as a Pensioner under Article II B. The Complainants in ROD 81-586 were seeking coverage as laid off Employees under Article III D. (1)(a) and the Complainants in RODs 81-713 and 88-378, were seeking health benefits coverage as disabled Employees under Article II C.

The Respondent also argues that it is not responsible for health benefits coverage after the expiration of the 1993 Wage Agreement. However, the Respondent's argument is flawed for the following two reasons: First, the Respondent is signatory to the 1998 Wage Agreement and the obligation to provide retiree health benefits continues under that contract; Second, as decided by the by the Trustees in RODs 78-343, 81-521, 84-437, 88-230 and 88-367, 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. Because the Complainant's pension effective date is December 1, 1996, the Complainant became a Pensioner as defined in Article I (5) of the Employer Benefit Plan effective December 1, 1996. Consequently, the Respondent is required to provide health benefits coverage for the Complainant and his eligible dependents from that date.

The Respondent has asserted that the Complainant is not entitled to a disability pension from the 1974 Pension Plan. The Respondent's challenge of a pension eligibility decision under the 1974 Pension Plan may not be addressed by the Trustees in the ROD process. The Respondent's challenge has been addressed in a separate procedure authorized by Article XX Section (g)(3) of the Wage Agreement.

#### Opinion of the Trustees

The Respondent is required to provide health benefits coverage for the Complainant as a Pensioner, effective December 1, 1996, consistent with the terms of the Employer Benefit Plan. Any Employer challenge of a pension eligibility decision must be raised in a separate procedure authorized by Article XX Section (g)(3) of the Wage Agreement, and may not be addressed by the Trustees in the ROD process.

