
OPINION OF TRUSTEES

In Re

Complainant: Disabled Employee
Respondent: Employer
ROD Case No: 93-109 – November 7, 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

The Complainant, whose date of birth is December 16, 1946, worked in a classified position for the Respondent until he was laid off on October 23, 1996. Based on his hours worked in the 24-month period prior to his layoff, the Complainant received continuation of benefits coverage through October 1997.

The Complainant was notified by letter dated September 7, 1999, that he was awarded Social Security Disability Insurance ("SSDI") benefits for a period of disability commencing on June 9, 1997. The Complainant contacted the Respondent concerning his eligibility for health benefits coverage as a disabled Employee because he is eligible for SSDI benefits, and upon attaining age 55 he will be eligible to receive a pension based on 20 3/4 years of credited signatory service.

The Respondent has refused to provide health benefits coverage for the Complainant as a disabled Employee. The Respondent was signatory to the 1993 National Bituminous Coal Wage Agreement (Wage Agreement) but did not sign the 1998 Wage Agreement.

Dispute

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

Positions of the Parties

Position of the Complainant: The Respondent is required to provide health benefits coverage for the Complainant as a disabled Employee because the Complainant meets the eligibility requirements to receive coverage as a disabled Employee.

Position of the Respondent: The Respondent is not required to provide health benefits coverage for the Complainant as a disabled Employee because as of August 1, 1998, the Respondent is no longer signatory to a Wage Agreement. Because the Respondent did not sign the 1998 Wage Agreement, the Respondent's obligation to provide benefits to a disabled Employee ceased upon the expiration of the 1993 Wage Agreement. This position is support by the Trustees' decision in ROD 81-713. Additionally, the Trustees do not have jurisdiction to decide this dispute because the Respondent is not currently signatory to a labor agreement.

Pertinent Provisions

Article XX, "General Description of the Health and Retirement Benefits" of the 1993 Wage Agreement states in pertinent part:

* * *

The parties expressly agree that the language references to "for life" and "until death" that are retained in this General Description are intended to mean that each Employer will provide, for life, only the benefits of its own eligible retirees who retired between February 1, 1993 and the Effective Date, or who retire during the term of this Agreement. A retiree shall be considered to be a retiree of an Employer if his last signatory classified employment was with such Employer. The benefits and benefit levels provided by an employer under its Employer Plan are established for the term of this Agreement only, and may be jointly amended or modified in any manner at any time after the expiration or termination of this Agreement.

* * *

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.

* * *

Article II C. (1) of the Employer Benefit Plan provides:

Article II - Eligibility

C. Disabled Employees

In addition to disabled Pensioners who are receiving pension benefits and are therefore entitled to receive health benefits under paragraph B of this Article II, health benefits under Article III shall also be provided to any Employee who:

- (1) (a) Has completed 20 years of credited service, including the required number of years of signatory service pursuant to Article IV C. (6) of the 1974 Pension Plan or any corresponding paragraph of any successor thereto, and
- (b) has not attained age 55, and
- (c) became disabled after December 6, 1974 while in classified employment with the Employer, and
- (d) is eligible for Social Security Disability Insurance Benefits under Title II of the Social Security Act or its successor;

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

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

Period of Coverage
Continuation from the

<u>Last Worked</u>	<u>Date Last Worked</u>
2,000 or more hours	Balance of month plus 12 months
500 or more but less than 2,000 hours	Balance of month plus 6 months
Less than 500 hours	30 days

Discussion

The Respondent has raised a question concerning the Trustees' authority to decide this dispute. The Respondent argues that the Trustees do not have jurisdiction over this dispute because the Respondent is not signatory to the 1998 Wage Agreement. However, the Complainant's effective date for SSDI benefits--June 9, 1997--occurred during the 1993 Wage Agreement; therefore, the Complainant's eligibility for coverage as a disabled Employee is reviewed under the terms of the 1993 Wage Agreement to which the Respondent was signatory. Furthermore, the Respondent is a contributor to the UMWA-BCOA ROD Trust ("ROD Trust"). The Administrative Services Agreement between the UMWA 1974 Pension Trust and the ROD Trust specifies the administrative services provided by the Trustees of the UMWA 1993 Benefit Plan for the ROD Trust. It states that "[t]he RODs covered by this Agreement include only those submitted by employees (or covered retirees) of employers participating in the ROD Trust." The Respondent is a contributor to the ROD Trust. Thus, the Trustees have jurisdiction to review this dispute because the Complainant was an employee of an employer participating in the ROD Trust.

Article II C. (1) of the 1993 Employer Benefit Plan provides that an Employee is eligible for health benefits coverage as a disabled Employee if he meets the following requirements: (a) has completed 20 years of credited service, including the required number of years of signatory service pursuant to Article IV C. (6) of the 1974 Pension Plan; (b) has not attained age 55; (c) became disabled after December 6, 1974, while in classified employment with the Employer; and (d) is eligible for Social Security Disability Insurance benefits. The Complainant clearly satisfies the requirements of Article II C. (1) (a), (b), and (d). The issue here is whether the Complainant meets the requirements of (c) above and became disabled while in classified employment with the Respondent.

The Complainant in this case ceased working for the Respondent on October 23, 1996, due to a layoff. On September 27, 1999, the Complainant was awarded SSDI benefits for a period of disability commencing on June 9, 1997. Although the Complainant was not actively at work on the date that his disability began, he was receiving continued benefits coverage as a laid-off Employee pursuant to Article III D. (1) (a) of the Employer Benefit Plan. In RODs 166, 81-488, 81-653 and 88-378, the Trustees have previously addressed the issue of whether an Employee who becomes disabled while on layoff is entitled to health benefits coverage as a disabled

Employee under Article II C. (1). The Trustees have concluded that a laid-off Employee receiving continued benefits coverage under the Employer Benefit Plan is considered an Employee

in classified employment. Therefore, if such Employee becomes disabled while receiving coverage under the Plan, he is considered to have become "disabled while in classified employment" within the meaning of Article II C. (1)(c) of the Employer Benefit Plan. Consequently, because the Complainant's disability began while he was eligible to receive continued benefits coverage as a laid-off Employee, he meets the requirement of having become disabled while in classified employment with the Respondent. Accordingly, effective June 9, 1997, the Complainant met all the eligibility requirements for coverage as a disabled Employee under Article II. C (1).

The Respondent argues that it is not required to provide coverage for the Complainant because the Respondent did not sign the 1998 Wage Agreement. However, the Complainant's eligibility for coverage is based on the Complainant meeting the eligibility requirements under Article II C. (1) of the 1993 Wage Agreement as of June 9, 1997. Article XX of the 1993 Wage Agreement addresses an Employer's obligation to provide benefits to its retirees following the termination of the 1993 Wage Agreement. Article XX under the heading "General Description of the Health and Retirement Benefits" states that "each Employer will provide, for life, only the benefits of its own eligible retirees. . .who retire during the term of this Agreement." Consequently, the 1993 Wage Agreement states that an Employer is required to provide its retirees who retired during the 1993 Wage Agreement coverage for life. The Trustees have previously determined that a disabled Employee has the same eligibility period as a retiree, and his right to benefits is based on the fact that he has accrued the same number of years of service required of a retiree to qualify for benefits. See ROD 81-713. Consequently, the Respondent is required to provide coverage for the Complainant beyond the termination of the 1993 Wage Agreement because his eligibility for benefits is based on the same number of years of service required of a retiree to qualify for benefits.

The Respondent cites ROD 81-713 to support its claim that the Respondent is not obligated to provide coverage beyond the 1993 Wage Agreement. In ROD 81-713, the Trustees reviewed the issue of whether an Employer was contractually obligated to provide coverage for a disabled Employee under Article II C. (1) beyond the expiration of the 1981 Wage Agreement when the Employer did not sign the 1984 Wage Agreement. According to ROD 81-713 "The United States Court of Appeals for the Fourth Circuit, in Dist. 29, United Mine Workers of America, et al. v. Royal Coal Co., 768 F. 2d 588, 592 (4th Cir. 1985) and Dist. 17, United Mine Workers of America et al. v Allied Cor . etc., 765 F. 2d 412, (en banc), as (sic) ruled that an Employer's contractual obligation to provide health benefits to its retirees does not extend beyond the expiration of the Wage Agreement." However, the 1993 Wage Agreement was amended to include a definition of the terms "for life" and "until death." Wage Agreements prior to 1993 did not include such definitions. Consequently, ROD 81-713 does not support the Respondent's

position because the opinion addresses the 1981 Wage Agreement, which does not contain the definitions of “for life” and “until death” addressed in the amended 1993 Wage Agreement.

Opinion of the Trustees

The Respondent is required to provide health benefits coverage for the Complainant as a disabled Employee beginning November 1, 1997, the day after the Complainant's coverage as a laid-off Employee was terminated.