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OPINION OF TRUSTEES

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In Re

Complainant: Employee  
Respondent: Employer  
ROD Case No: 98-008 – February 15, 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 was employed by the Respondent from June 1977 until January 26, 1998, when he became ill and ceased working. The Complainant returned to work on January 25, 1999 only to cease work again on February 5, 1999, due to a compensable injury. The Complainant never returned to work. After an exchange of correspondence between the Complainant's attorney and the Respondent, the Complainant was terminated effective June 1, 1999. Pursuant to the settlement of a grievance, the Complainant's final termination date became December 27, 1999.

The Complainant was notified by letter dated May 23, 1999, that he was eligible for Social Security Disability Insurance (SSDI) benefits effective January 23, 1998. The Complainant, whose date of birth is February 10, 1947, is under age 55, and has 20 years of credited service. Based on these facts the Complainant claims that he meets the eligibility requirements of the Employer Benefit Plan to receive health benefits coverage as a disabled Employee.

The Respondent was signatory to the 1993 National Bituminous Coal Wage Agreement ("1993 Wage Agreement"), which terminated effective August 1, 1998. Subsequently, the Respondent signed a modified 1998 National Bituminous Coal Wage Agreement ("1998 Wage Agreement"), effective December 19, 1998. Under the 1998 Wage Agreement, the Respondent provides at least two benefit plans for employees and retirees: a continuation of its Employer Benefit Plan and a new pension plan ("Respondent's Retirement Program"). This new benefit plan structure has resulted in a change in eligibility requirements and benefits. For example, Article II of the Employer Benefit Plan was amended to state that in order to be eligible for benefits as a disabled Employee, the Employee must meet certain criteria "as of the effective date of the Wage Agreement." This clause was not in the Employer's 1993 Benefit Plan. Additionally, under the Respondent's new Retirement Program, eligible participants receive an annuity for use in purchasing medical insurance on the open market. This program was implemented to provide benefits to certain former employees who were no longer eligible for benefits under the

Employer's Benefit Plan.

Based on the provisions of the 1998 Wage Agreement and the Employer Benefit Plan, the Respondent asserts that the Complainant is not eligible for coverage as a disabled Employee under the Employer Benefit Plan. The Respondent does, however, acknowledge that the Complainant is eligible for benefits under the Respondent's Retirement Program.

### 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 of the following: 1) the Complainant was discharged as of June 1, 1999, and is no longer an employee of the Respondent; 2) the terms of the 1993 Employer Benefit do not apply as it is no longer in effect, and the Complainant does not meet the eligibility requirements of the Respondent's 1998 Employer Benefit Plan because he was not disabled as of the effective date of the 1998 Wage Agreement; 3) the Complainant is eligible for a pension under the Respondent's Retirement Program and he may use the pension to purchase his own health care; and 4) even if the Respondent is eligible for coverage under the Employer Benefit Plan, such coverage would terminate when he attains age 55. The Respondent also alleges that the Trustees do not have jurisdiction to resolve disputes involving the Respondent's Retirement Program implemented under the 1998 Wage Agreement.

### Pertinent Provisions

Article I (1), (2) and (4) of the 1993 Employer Benefit Plan provide:

#### ARTICLE I DEFINITIONS

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (Insert 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.

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- (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 1993 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 section B of this Article II, health benefits under Article III shall also be provided to any Employee who:

- any
- (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 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 I (1), (2), and (4) of the Respondent's 1998 Employer Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" or "[Respondent's Name]" means [Respondent's Name].

- (2) "Wage Agreement" means the [Respondent's Name] and United Mine Workers of America Bituminous Coal Wage Agreement of 1998, as amended from time to time and any successor agreement.

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- (4) "Employee" shall mean a person working in a classified job for the Employer, eligible to receive benefits hereunder.

Article II C. of the Respondent's 1998 Employer Benefit Plan provides in pertinent part:

Article II - Eligibility

C. Disabled Employees

In addition to disabled Pensioners entitled to receive health benefits under section B of Article II, health benefits under Article III shall also be provided to any Employee who, as of the effective date of the Wage Agreement:

- (1) is currently enrolled and receiving medical coverage under [Respondent's name] Employer Benefit Plan, and
- (2) 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
- (3) has not attained age 55, and
- (4) became disabled after December 6, 1974, while in classified employment with the Employer, and
- (5) is eligible for Social Security Disability Insurance Benefits under Title II of the Social Security Act or its successor.

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 ROD because it involves an issue regarding the Respondent's Retirement Program that was implemented after

the enactment of the 1998 Wage Agreement. The issue in dispute, however, is not whether the Complainant is eligible for coverage under the Respondent's Retirement Program, but rather, whether he is eligible under the Respondent's Employer Benefit Plan. And, under both the 1993 and 1998 Wage Agreements, the Trustees have jurisdiction to decide such a dispute.

Article XX, Section (c) (2) of the Respondent's 1998 Wage Agreement establishes that the Respondent will provide an Employee Benefit Plan to provide health and other non-pension benefits for its Employees. Section (e) (5) of the same article specifically states that disputes arising under the Employer Benefit Plan "established in (c) (2) above shall be referred to the Trustees." It further states that "[i]n the event the Trustees decide such dispute, such decision of the Trustees shall be final and binding on the parties." As the issue raised by the Complainant concerns his entitlement to benefits coverage, and that entitlement is governed by the terms of the Employer's Benefit Plan, it is the Trustees' position that they have the authority to decide this case.

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." Thus, the Trustees have jurisdiction to review this dispute because the Complainant was an employee of an employer participating in the ROD Trust.

After a review of the facts, it is the position of the Trustees that the Complainant is eligible for benefits under the terms of the 1993 Employer Benefit Plan. The Complainant last worked for the Respondent on February 5, 1999. On May 23, 1999, the Complainant was awarded SSDI benefits for a disability that began on January 23, 1998. As of that date, the Respondent employed the Complainant under the 1993 Wage Agreement. 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 has established that he has 20 years of credited service, including the required number of years of signatory service, and has not yet attained age 55. As evidenced by his SSDI award, which was effective January 23, 1998, the Complainant became disabled while employed in classified service with the Respondent and is eligible for SSDI benefits. Therefore, the Complainant satisfies the requirements under Article II C. (1) of the 1993 Employer Benefit Plan.

The Respondent's contrary assertion is that because the Complainant did not receive his SSDI award until May 1999, the terms of the Employer's 1993 Benefit Plan do not apply. However,

where eligibility for benefits is in part based on an award of SSDI benefits, the Trustees recognize that in some cases it is administratively impossible to begin actual payments of benefits upon the required commencement date. (See ROD 81-258) Thus, the Trustees in RODs 81-361, 81-435, 81-488, 81-494, 84-234, and 84-407 concluded that when an Employee meets all the requirements for coverage under Article II C. (1) as of the SSDI disability onset date, the onset date is the effective date of the Employee's eligibility for coverage as a disabled Employee.

The Complainant also would be eligible for coverage under the terms of the Respondent's 1998 Employer Benefit Plan. Under Article II C. of the Respondent's 1998 Employer Benefit Plan, an Employee is eligible for health benefits coverage as a disabled Employee if, as of the effective date of the 1998 Wage Agreement, he meets the following requirements: (1) is currently enrolled and receiving medical coverage under the Respondent's Employer Benefit Plan; (2) has completed 20 years of credited service, including the required number of years of signatory service; (3) has not attained age 55; (4) became disabled after December 6, 1974 while in classified employment with the Employer; and (5) is eligible for Social Security Disability Insurance benefits. In its position papers, the Respondent concedes that the Complainant satisfies the requirements of Article II C. (1), (2), and (3). The Respondent does not, however, agree that Complainant satisfies the requirements of Article II C. (4) and (5) because the Complainant did not receive his Social Security Disability Insurance benefits until May 1999, which is after the effective date of the 1998 Wage Agreement.

The Complainant's SSDI disability benefits were effective January 23, 1998. On that date, the Complainant was employed in classified employment with the Respondent. Thus, the Complainant satisfies the requirements of Article II C. (4) because the Complainant became disabled after December 6, 1974 while in classified employment with the Respondent. Likewise, because the Complainant was eligible for SSDI benefits as of January 23, 1998, the Complainant satisfies Article II C. (5). Therefore, because the Complainant met the requirements of Article II C. on January 23, 1998, which is "as of" the required date in the Respondent's 1998 Employer Benefit Plan, the Complainant is eligible for health benefits coverage as a disabled Employee.

Contrary to the Respondent's remaining assertion, the Complainant's date of termination has no affect on his eligibility for benefits. In ROD 84-499, the Trustees addressed the issue of whether an Employee who is terminated is eligible for coverage as a disabled Employee. The Employee in this dispute was discharged on the same day as the effective date of his SSDI benefits. The Trustees determined that because the Employee reported to work and received wages on that date, he was in classified employment when the SSDI benefits were awarded. Therefore, the Trustees determined that the Employee was eligible for coverage as a disabled Employee as of the effective date of his SSDI award. Similarly, the Complainant in this dispute met the eligibility requirements as a disabled Employee as of the effective date of this SSDI award, January 23, 1998. This was prior to his date of termination. Consequently, the Complainant is eligible for coverage.

Finally, it is irrelevant that the Complainant is eligible for benefits under the Respondent's Retirement Program, and that his coverage under the Employer Benefit Plan would in any case terminate when he turns age 55. The Complainant is currently eligible for coverage as a disabled Employee under the Employer Benefit Plan and future or alternative benefits do not affect his current status.

Opinion of the Trustees

The Respondent is required to provide health benefits coverage for the Complainant as a disabled Employee, beginning February 6, 1999, the day after the Complainant's coverage as an Employee was terminated.