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OPINION OF TRUSTEES

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In Re

Complainant: Surviving Spouse  
Respondent: Employer  
ROD Case No: 98-022 – September 14, 2005

Trustees: Micheal W. Buckner, A. Frank Dunham, Michael H. Holland, 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 a mine worker who last worked for the Respondent on February 27, 1999, when he was laid off. The Complainant's husband received continuation of health benefits coverage through March 31, 2000. At the time of his death on June 24, 2000, the Complainant's husband was 53 years of age and was eligible to receive a special permanent layoff pension under the UMWA 1974 Pension Plan. [He established twenty years of credited service, was permanently laid off, and his application was received by the Funds on October 4, 1999.] The special permanent layoff pension was introduced under the National Bituminous Coal Wage Agreement (Wage Agreement) of 1998 to provide pension benefits to mine workers who have been permanently laid off, have at least twenty years of signatory service on their date last worked, and are less than age 55. When a mine worker receiving a special permanent layoff pension attains age 55, he becomes eligible for health benefits coverage from his last signatory Employer.

Following the death of her husband, the Complainant was awarded a Surviving Spouse benefit under the UMWA 1974 Pension Plan. The Complainant contacted the Respondent concerning her eligibility for health benefits coverage as a surviving spouse. According to the Respondent, the Complainant is eligible for health benefits coverage effective April 1, 2002, the month following the month in which the Complainant's husband would have attained age 55. The Respondent states that the Complainant is not eligible for health benefits coverage prior to April 1, 2002, because the Complainant's husband was not eligible for health benefits coverage as a Pensioner prior to April 1, 2002.

Dispute

Is the Respondent required to provide the Complainant health benefits coverage prior to April 1, 2002?

Positions of the Parties

Position of the Complainant: The Respondent is required to provide health benefits coverage to the surviving spouse prior to April 1, 2002, because the Complainant is eligible for a Surviving Spouse benefit under the UMWA 1974 Pension Plan.

Position of the Respondent: The Respondent is not required to provide health benefits coverage to the Complainant prior to April 1, 2002, because as a special permanent layoff pensioner, the Complainant's husband would not have been eligible for health benefits coverage prior to April 1, 2002.

Pertinent Provisions

Article I (2), (4), and (5) of the 1998 Employer Benefit Plan provides:

ARTICLE I DEFINITIONS

The following terms shall have the meanings herein set forth:

- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1998, 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.
- (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, (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; or (iii) a special permanent layoff pension under the terms of Article II. E(4) of the 1974 Plan, during any period prior to the person's attainment of age 55. "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 E. (2) of the 1998 Employer Benefit Plan provides

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:

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- (2) Under conditions which qualify such spouse for a Surviving Spouse benefit under the 1974 Pension Plan or any successor thereto;

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Discussion

According to Article I (5) of the 1998 Employer Benefit Plan, the definition of Pensioner shall, among other things, mean a person who is receiving a pension other than a special permanent lay off pension "during any period prior to the person's attainment of age 55". Under Article II E. (2) of the 1998 Employer Benefit Plan, a signatory employer is required to provide health benefits for a deceased Pensioner's surviving spouse if such surviving spouse is receiving a Surviving Spouse benefit under the 1974 Pension Plan.

The Complainant was awarded a Surviving Spouse benefit under the 1974 Pension Plan effective July 1, 2000. Article II E. (2) of the Employer Benefit Plan states that health benefits shall be provided to any unmarried surviving spouse of an Employee or Pensioner who died under conditions which qualify such spouse for a Surviving Spouse benefit under the 1974 Pension Plan. Therefore, to be eligible for health benefits coverage, the Complainant's husband must meet either the definition of Employee or Pensioner.

According to Article I (4) of the Employer Benefit Plan, an Employee is a person working in a classified job for the Employer. Additionally, a mine worker eligible for continuation of coverage is considered an Employee in classified employment. (See RODs 166, 81-488, 81-653). Because the Complainant's husband's continuation of coverage ended March 31, 2000, the Complainant's husband no longer met the definition of Employee after March 31, 2000.

Consequently, the Complainant is not eligible for health benefits as a surviving spouse of an Employee because the Complainant's husband did not meet the definition of Employee at the time of his death.

The Complainant's husband was 53 years of age and was eligible for a special permanent layoff pension under the 1974 Pension Plan at the time of his death on June 24, 2000. According to Article I (5) of the Employer Benefit Plan, a mine worker who is eligible to receive a special permanent layoff pension and who has not attained age 55 does not meet the definition of Pensioner. Therefore, the Complainant's husband would not have met the definition of Pensioner until he attained age 55 on March 9, 2002. Consequently, the Complainant could not be considered a surviving spouse of a Pensioner entitled to benefits. Accordingly, the Complainant is not eligible for health benefits coverage from the Respondent prior to April 1, 2002.

Opinion of the Trustees

The Respondent is not required to provide health benefits coverage for the Complainant as a surviving spouse pursuant to Article II E. (2) of the Employer Benefit Plan prior to April 1, 2002.