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OPINION OF TRUSTEES

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In Re

Complainant: Pensioner  
Respondent: Employer  
ROD Case No: 98-042 – June 13, 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 was employed in the coal industry from 1968 to 1998. During this period, the Complainant worked for companies signatory to the UMWA National Coal Mine Construction Agreement (“Construction Agreement”) and to the UMWA National Bituminous Coal Wage Agreement (“Coal Wage Agreement”). The Complainant’s last date of signatory employment was in 1998 with the Respondent.

Based on his work history under the Construction Agreements and Coal Wage Agreements, the Complainant was awarded a deferred vested special pension under the UMWA 1985 Construction Workers Pension Plan effective November 1, 2000. His pension is based on 16.25 years of credited service under Construction Agreements. In addition, the Complainant was notified by letter dated October 2, 2001, that he was awarded a deferred vested pension special under the UMWA 1974 Pension Plan effective November 1, 2000. This award is based on 6.25 years of credited service under Coal Wage Agreements and 16 years of vesting service under Construction Agreements. The 1974 Pension Plan award letter also advised the Complainant to contact the Respondent regarding his eligibility for health benefits coverage. The Complainant states that the Respondent has refused to provide him with health benefits coverage.

Dispute

Is the Respondent required to provide health benefits coverage to the Complainant effective November 1, 2000, the date the Complainant was awarded a deferred vested pension special under the UMWA 1974 Pension Plan?

Positions of the Parties

Position of the Complainant: The Respondent is required to provide health benefits coverage for the Complainant effective November 1, 2000, because the Respondent is the Complainant's last signatory employer, and the Complainant is a pensioner who has a total of 22.25 years of vested service.

Position of the Respondent: The Respondent is not required to provide health benefits coverage for the Complainant effective November 1, 2000, because the Complainant has only 6.25 years of credited service under the Coal Wage Agreement. A minimum of 20 years of credited service is required to receive health benefits coverage.

Pertinent Provisions

Article I (1), (2), (5) and (9) 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 1998, 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; or (iii) a special permanent layoff pension under the terms of Article II E. (4) of the 1974 Pension 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 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:

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) December 31, 1997, 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

The Trustees deadlocked on this matter. Trustees Holland and Buckner found for the Complainant. Trustees Dunham and Segal found for the Respondent. Under the ROD procedures approved by the Trustees of the UMWA 1993 Benefit Plan, the matter was referred to a neutral interest arbitrator, Thomas S. Tomczyk, for resolution. The arbitrator was directed to choose one of the two draft opinions proposed by the Trustees. The arbitrator's choice is printed below as the Opinion of the Trustees.

Opinion of the Trustees

The Employer is not required to provide health coverage to the Complainant because he is not a Pensioner under the terms of the Employer Benefit Plan.