
OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 07-0052 – October 26, 2011

Trustees: Michael H. Holland, Micheal W. Buckner, Daniel L. Fassio, and
Morris D. Feibusch

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 an Employee who worked in a classified position for the Respondent until May 12, 2009, when he stopped working due to chronic illness. The Employee received Sickness and Accident (S&A) benefits from the Respondent from May 20, 2009, to December 27, 2009. The Employee was notified on February 5, 2010, that he had been awarded Social Security Disability Insurance (SSDI) monthly benefits effective November 2009, based on disability onset in May 2009. The Employee died on May 14, 2010. The Complainant has been awarded a 1974 Surviving Spouse Pension benefit with an effective date of June 1, 2010. Complainant is seeking life insurance benefits pursuant to Article XX (8) of the 2007 Coal Wage Agreement and under the Employer Benefit Plan as the named beneficiary of the deceased Employee.

Payments for the Employee's SSDI benefits overlapped the S&A payments made by the Respondent for November and December 2009. Respondent learned of the SSDI award in April 2010, notified the Employee of the \$2,785.72 overpayment on May 26, 2010, and requested reimbursement. The Respondent did not continue to provide S&A benefits beyond December 27, 2009 because the Employee failed to provide a physician's certification of continuing disability.

Dispute

Is the Complainant eligible for the life insurance benefit provided in Article XX (8) of the 2007 Coal Wage Agreement and the Employer Benefit Plan?

Positions of the Parties

Position of the Complainant: Complainant is eligible for the \$80,000.00 life insurance benefit as the named beneficiary of the deceased Employee.

Position of the Respondent: The Respondent states that Article II C. provides life insurance coverage for a disabled Employee only if the Employee is receiving or would be eligible to receive S&A benefits. The Respondent states that the Complainant's husband was not entitled to life insurance coverage at the time of his death because he was not eligible to receive S&A benefits.

Pertinent Provisions

Article III B. (1) of the Employer Benefit Plan provides in pertinent part:

B. Life and Accidental Death and Dismemberment Insurance for Active Employees

Life and accidental death and dismemberment insurance will be provided for Employees, as described in Article II, Sections A and C (3), in accordance with the following schedule:

(1) Upon the death of an Employee due to other than violent, external and accidental means on or after January 1, 2007, life insurance in the amount of \$80,000 will be paid to the Employee's named beneficiary.

Article II C.(3) of the Employer Benefit Plan provides:

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:

(3) Is receiving or would, upon proper application, be eligible to receive Sickness and Accident Benefits pursuant to the Wage Agreement.

Life and accidental death and dismemberment insurance shall also be provided to Employees described in (3) above.

Article XI(b) of the Wage Agreement states in pertinent part:

Section (b) Eligibility

Any Employee with six (6) months or more of classified employment with the Employer who becomes disabled as a result of sickness or accident...so as to be prevented from performing his regular classified job, and whose disability is certified by a physician legally licensed to practice medicine, shall be eligible to receive Sickness and Accident Benefits under this Plan. An Employee whose disability is the result of a mine accident suffered while he has been a classified Employee of the Employer shall be eligible to receive Sickness and Accident Benefits effective with his first day of classified employment. Benefits will not be payable for any period during which the Employee is not under the care of a licensed physician.

Article XI(e) of the Wage Agreement provides in pertinent part:

Section (e) Filing of Claims for Benefits

To be eligible for payment of [Sickness and Accident] benefits, the Employee must give written notice of disability to the Employer, including certification by a licensed physician upon request by the Employer, within 21 days after the day claimed as the first day of disability.

Article XX (8) (a) of the Wage Agreement provides in pertinent part:

(8) Life and Accidental Death and Dismemberment Benefits

Life and Accidental Death and Dismemberment Insurance benefits are provided by the Employer for working miners in accordance with the following schedule:

- (a) Upon the death of a working miner due to other than violent, external and accidental means on or after the Effective Date, life insurance benefits in the amount of \$80,000 will be paid to the miner's named beneficiary.

Discussion

Article III.B(1) and II.C(3) of the Employer Benefit Plan provide an \$80,000 life insurance benefit to the named beneficiary of an active Employee or disabled Employee who dies on or after January 1, 2007, by other than violent, external and accidental means and is receiving or would, upon proper application, be eligible to receive S&A Benefits, pursuant to the Wage Agreement.

Employees are eligible to receive S&A Benefits under Article XI(b) of the Wage Agreement if

they: (1) have six months or more of classified employment with the Employer; (2) become disabled as a result of sickness or accident so as to be prevented from performing their regular classified employment; and (3) have their disability certified by a physician legally licensed to practice medicine. Article XI(e) of the Wage Agreement provides that Employees must provide such certification by a licensed physician, upon request by the Employer, within 21 days after the day claimed as the first day of disability.

Here, the Employee died after January 1, 2007, by other than violent, external and accidental means. The Employee had six months or more of classified employment with the Employer, became disabled as a result of sickness which prevented him from performing his regular classified employment and had his disability certified by a physician legally licensed to practice medicine on May 19, 2009, which was within 21 days after the day claimed, May 12, 2009, as the first day of disability. Therefore, the Employee met all the requirements and limitations of Section (b) and Section (e) of Article XI of the Wage Agreement. Thus, as the Employee's named beneficiary, Complainant is eligible to receive an \$80,000 life insurance benefit.

Although the Employee did not provide any further physician certification of his continuing disability after December 27, 2009, during the period that the Employee was receiving SSDI benefits, the Employee would have been upon proper application eligible to continue to receive S&A benefits, but for his receipt of SSDI benefits. The fact that the Employee was not actually receiving S&A benefits does not in these circumstances mean that S&A benefit eligibility ceased or that the Employee had not met the eligibility requirements for receipt of S&A benefits and he would have continued to remain eligible for such benefits if he had made application. In view of the fact that the Respondent made S&A benefit payments to the Employee in November and December 2009, at the same time that the Employee was eligible to receive SSDI benefits, Respondent is entitled to receive reimbursement of the sum of \$2,785.72.

Opinion of the Trustees

The Complainant is eligible for an \$80,000 life insurance benefit pursuant to Article XX(8) of the Wage Agreement and Article II. C.(3) of the Employer Benefit Plan. Respondent is entitled to receive reimbursement for its overpayment of S&A benefits for November and December 2009.