
OPINION OF TRUSTEES

In Re

Complainant: Surviving Spouse
Respondent: Employer
ROD Case No: 88-690 - February 16, 1995

Trustees: Thomas F. Connors, Michael H. Holland, Marty D. Hudson and
Robert T. Wallace.

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of benefits for the surviving spouse of a Pensioner under the terms of the Employer Benefit Plan.

Background Facts

The Complainant's husband, who was employed by the Respondent from November 5, 1969 to June 27, 1977, died on December 6, 1983. The Complainant applied for a Surviving Spouse benefit under the 1974 Pension Plan in June 1985. The Funds determined that the Complainant's husband was eligible for a Disability Pension under the 1974 Pension Plan effective June 1, 1975 and the Complainant was notified by letter dated November 6, 1985 that she was awarded a Surviving Spouse benefit effective January 1, 1984. The Complainant was advised to contact the her husband's last signatory Employer, the Respondent, regarding her eligibility for health benefits coverage as a Surviving Spouse. The Respondent provided health benefits coverage for the Complainant effective October 30, 1992.

The representative for the Complainant states that the Respondent has refused to provide health benefits coverage for the Complainant prior to October 30, 1992 and has refused to pay the Complainant a life insurance benefit.

Dispute

Is the Respondent required to provide the Complainant health benefits coverage prior to October 30, 1992 and a life insurance benefit?

Positions of the Parties

Position of the Complainant: The Respondent is required to pay the Complainant an amount equal to the insurance premiums that it would have paid for her coverage from January 1, 1984 through October 29, 1992 and to provide the Complainant a life insurance benefit, plus interest.

Position of the Respondent: The Respondent is not required to reimburse the Complainant for premiums paid to purchase private health insurance during a period of eligibility. The

Respondent will review any claims for services dated prior to October 30, 1992 to determine if they have been properly filed. The Complainant is not entitled to a life insurance benefit because the Complainant's husband was not an active Employee or a Pensioner at the time of his death.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreements of 1981, 1984 and 1988 provides in pertinent part:

(3)(i) Each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement as well as pensioners, under the 1974 Pension Plan and Trust, whose last signatory classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans.... The plans established pursuant to this subsection are incorporated by reference and made a part of this Agreement, and the terms and conditions under which the health and other non-pension benefits will be provided under such plans are as to be set forth in such plans.

Article I (1), (2),(5) and (6) of the 1981, 1984 and 1988 Employer Benefit Plans 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 1981 [1984, 1988], 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 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.
6. "Beneficiary" shall mean any person who is eligible pursuant to the Plan to receive health benefits as set forth in Article III hereof.

Article II. B. (1) and E. (2) of the 1981, 1984 and 1988 Employer Benefit Plans 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) June 7, 1981 [October 1, 1984; February 1, 1988], 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 1(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.

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 subparagraphs (2) and (5) of paragraph D, of an Employee or Pensioner who died:

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

Article III B. (2) (a) and (b) of the 1981 Employer's Benefit Plan provides:

Article III - Benefits

B. Life and Accidental Death and Dismemberment Insurance

(2) Pensioners

Upon the death of a Pensioner, as described in Article II, section B, life insurance shall be paid in a lump sum to the Pensioner's named beneficiary in the following amounts:

- (a) \$2,500 if such Pensioner had dependents at the time of death or
- (b) \$2,000 if such Pensioner did not have Dependents at the time of death

Discussion

Article II E. (2) of the Employer Benefit Plan requires a signatory Employer to provide health benefits coverage to the unmarried surviving spouse of a Pensioner "who died under conditions which qualifies such spouse for a Surviving Spouse benefit under the 1974 Pension Plan..." Inasmuch as the Complainant satisfied the definition of "Surviving Spouse" as set forth in Article II E. (2) as of the effective date of her benefit award, the Respondent's obligation to provide health benefits coverage commences as of the benefit effective date. The Complainant in this case became a Surviving Spouse as defined in Article II E. (2) of the Plan effective January 1, 1984. Therefore, the Respondent is required to provide health benefits coverage for the Complainant from that date and for payment of the Plan-covered medical expenses incurred by the Complainant during the period from January 1, 1984 through October 29, 1992, provided proper documentation is submitted.

In regards to the Complainant's request for the sum of the premium payments that the Respondent would have paid from January 1984 to November 1992, she is not entitled to such payment. The Trustees in RODs 81-17, 81-640, 81-660 and 88-161 stated that an Employer's obligation is limited to reimbursing a beneficiary for covered medical expenses that were incurred while the beneficiary is eligible for health benefits coverage under the Employer Benefit Plan.

The Respondent contends that the Complainant is not entitled to a life insurance benefit because the Complainant's husband was not an active Employee or a Pensioner at the time of his death. Under Article III B. (2) of the Employer Benefit Plan, a life insurance benefit will be paid to the named beneficiary of a Pensioner "as described in Article II, section B". Article II B. refers to the definition of Pensioner in Article I (5) of the Plan, which defines such Pensioner as any person whose last classified signatory employment was with the Employer, and who is receiving a pension under the UMWA 1974 Pension Plan with certain exceptions not relevant here. The Complainant's husband died in 1983 and the Complainant filed a UMWA pension application in 1985. Although the Funds determined that the Complainant's husband was eligible at the time of his death for a disability pension under the 1974 Pension Plan, the Complainant's husband had not applied for pension benefits at the time of his death. Inasmuch as the Complainant's husband

Opinion of Trustees

ROD Case No. 88-690

Page 5

was not receiving a pension at the time of his death, he therefore did not meet the definition of Pensioner under Article I (5) of the Plan. Accordingly, the Respondent is not responsible for providing the Complainant with a life insurance benefit.

Opinion of the Trustees

The Respondent is required to provide health benefits coverage for the Complainant as a Surviving Spouse, effective January 1, 1984. The Respondent is not required pay the Complainant the sum of the insurance premiums for the period from January 1984 to November 1992. Nor is the Respondent required to provide a life insurance benefit to the Complainant.