

November 30, 1983

(Opinion issued in letter form; name and address deleted)

Re: Opinion of Trustees
Resolution of Dispute
Case No. 81-17

Pursuant to Article IX of the United Mine Workers of America 1950 Benefit Plan and Trust, and under the authority of an exemption granted by the United States Department of Labor, the Trustees have reviewed the facts and circumstances of this dispute concerning benefit coverage for a Pensioner by the Employer under the terms of the Employer's Benefit Plan and hereby render their opinion on the matter.

Your Employer signed the National Bituminous Coal Wage Agreement of 1981 on September 21, 1981, but the parties specified a retroactive effective date of June 7, 1981 in Article I of the Wage Agreement. You paid the premiums for your own benefit coverage for the period May 1981 through August 1981. Benefit coverage was provided by the Employer from September 1981 through June 1982. The Funds' auditors found that the Employer went out of business on June 3, 1982. Of course, since July 1982, you have received health benefits coverage under the UMWA 1974 Benefit Plan.

The Employer's obligation to provide benefit coverage arose under the terms of Article XX (c)(3) of the National Bituminous Coal Wage Agreement of 1981. Although the Employer did not sign the Wage Agreement until September 21, 1981, it specified June 7, 1981, as the effective date of its contractual obligations, and therefore was responsible for the provision of benefit coverage from that date. The Trustees, therefore, are of the opinion that the Employer was responsible for your benefit coverage during the period from June 7, 1981, through August 1981.

By executing the 1981 Wage Agreement with a retroactive effective date, the Employer obliged itself to provide the benefits specified under the Employer's Benefit Plan retroactive to June 7, 1981. The 1981 Wage Agreement contains no provision requiring the Employer to reimburse employees for health insurance premiums they paid on their own behalf during the period before the Employer executed the 1981 Wage Agreement. The Employer's obligation is limited to reimbursing you for amounts that were billed for services covered under the terms of the Employer's Benefits Plan.

Sincerely,

Harrison Combs, Chairman
John J. O'Connell, Trustee

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Paul R. Dean, Trustee