

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 81-176, July 25, 1983

Board of Trustees: Harrison Combs, Chairman; John J. O'Connell, Trustee; Paul R. Dean, Trustee.

Pursuant to Article IX of the United Mine Workers of America ("UMWA") 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 the provision of benefits coverage for a laid-off Employee by the Employer under the terms of the Employer's Benefit Plan and hereby render their opinion on the matter.

Background Facts

The Complainant has performed classified work for the Respondent from December 1980 to September 3, 1982, when the mine was closed due to a lack of coal orders. The Complainant worked for the Respondent more than 500, but less than 2,000 hours during his period of employment.

The Respondent provided benefits coverage for the Complainant through September 30, 1982. At that time, the Respondent informed its laid-off Employees that it had insufficient funds with which to pay their insurance premiums. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981.

Following an audit, the UMWA 1974 Benefit Plan determined that the Respondent is not out of business within the meaning of Article II. E. 4 of the UMWA 1974 Benefit Plan, because the Respondent is only temporarily dormant while awaiting new coal orders.

Dispute

Is the Respondent responsible for the provision of benefits coverage for the Complainant and his eligible dependents?

Position of the Parties

Position of Complainant: He wants assurance that the Respondent meets its contractual responsibilities concerning the provision of benefits coverage.

Position of Respondent: The Respondent has not replied to our correspondence.

Pertinent Provisions

Article XX, Section (c)(3)(i) of the 1981 Wage Agreement provides:

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. Such plans shall also include that each signatory Employer continue to make the death benefit payments in pay status as of December 5, 1977, for deceased Employees and pensioners under the 1974 Pension Plan whose last signatory classified employment was with such Employer, in the same manner and in the same amounts as previously provided for in the 1974 Benefit Plan and Trust. 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 and 4 of the 1981 Employer's Benefit Plan provides:

Article I - Definitions

The following terms shall have the meanings herein set forth:

1. "Employer" means (coal company)
2. "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1981, 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.

Article II. A. 1. of the 1981 Employer's Benefit Plan provides:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

A. Active Employees

Benefits under Article III shall be provided to any Employee who:

1. is actively at work¹ for the Employer on the effective date of the Wage Agreement, or...

Article III. D. 1.(a) of the 1981 Employer's Benefit Plan provides:

Article III - Benefits

D. General Provisions

1. Continuation of Coverage

(a) Layoff

If an Employee ceases work because of layoff, continuation of health, life and accidental death and dismemberment insurance coverage is as follows:

| Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Worked | Period of Coverage Continuation from the Date Last Worked |
|--|---|
| 2,000 or more hours | Balance of month plus 12 months |
| 500 or more but less than 2,000 hours | Balance of month plus 6 months |
| Less than 500 hours | 30 days |

Discussion

Under Article XX., Section (c)(3)(i) of the 1981 Wage Agreement and Article II of the 1981 Employer Benefit Plans, a signatory Employer is required to provide benefits coverage to each UMW 1974 Pension Plan Pensioner whose last signatory classified employment was with the

¹ Actively at work includes an Employee of the Employer who was actively at work on March 26, 1981, and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement.

Employer and to certain dependents of its Employees and Pensioners. This benefit coverage is guaranteed during the term of the 1981 Wage Agreement. Neither the 1981 Wage Agreement nor the 1981 Employer Benefit Plans contain any provision which discharges the Employer from the performance of this obligation during the term of the 1981 Wage Agreement. The Respondent therefore continues to have a contractual obligation to provide benefits in accordance with the terms of the 1981 Employer's Benefit Plan, regardless of the Respondent's operational status or financial condition.

Evidence submitted by the Complainant and that obtained from Funds' sources indicates that the Complainant last worked in classified employment for the Respondent on September 3, 1982, and had worked more than 500 but less than 2,000 hours for the Respondent during the period December 1, 1980 to September 3, 1982. Based on the Complainant's number of hours worked and his date last worked, he was eligible for benefits coverage for the balance of September 1982 plus 6 months.

Opinion of the Trustees

The Trustees are of the opinion that the Respondent is responsible for the provision of benefits coverage for the Complainant and his eligible dependents commencing October 1, 1982 through March 31, 1983.