
OPINION OF TRUSTEES

In Re

Complainant: Employees
Respondent: Employer
ROD Case No: 81-645 - February 24, 1986

Board of Trustees: Joseph Connors, Sr., Chairman; Paul R. Dean, Trustee; William B. Jordan, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., 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 level of health benefits coverage for the dependent of an Employee under the terms of the Employer Benefit Plan.

Background Facts

According to information reported to the Funds by the Respondent, the Complainant began working for the Respondent in a classified position in February 1983. The Complainant has stated that in June 1984, the Respondent, an Employer signatory to the National Bituminous Coal Wage Agreement of 1981, changed insurance carriers and replaced its former plan with an "80/20" health coverage plan which obligates Employees to pay 20% of selected medical charges incurred. The Complainant has submitted medical invoices for services rendered to his wife after June 1984 stating that the new insurance carrier failed to make any payment for these invoices on the basis that it was not the carrier at the time the charges were incurred.

The Complainant has asked that the Respondent be found responsible for the provision of health benefits coverage for his wife at the level prescribed by the terms of the Employer Benefit Plan. The Respondent has failed to respond to repeated correspondence from the Funds regarding its position in this dispute. Therefore, the Trustees must issue a decision based upon the available information.

Dispute

Is the Respondent responsible for the provision of health benefits coverage for the Complainant's wife at the level prescribed by the Employer Benefit Plan?

Position of Parties

Position of the Complainant: The Respondent is responsible during the Complainant's period of active employment for the provision of health benefits coverage for the Complainant's wife at the level prescribed by the Employer Benefit Plan.

Position of the Respondent: The Respondent has failed to present its position in this dispute.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1981 provides:

(c) 1974 Plans and Trusts

- (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.

Article I (1), (2), and (4) of the Employer Benefit Plan provide:

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) and (4) and D. (1) of the Employer Benefit Plan provide:

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 work* for the Employer on the effective date of the Wage Agreement; or
4. A new Employee will be eligible for health benefits from the first day worked with the Employer.

*"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.

D. Eligible Dependents

Health benefits under Article III shall be provided to the following members of the family of any Employee, Pensioner, or disabled Employee receiving health benefits pursuant to paragraphs A, B, or C of this Article II;

1. A spouse who is living with or being supported by an eligible Employee or Pensioner;

Discussion

The Complainant has submitted medical bills for services rendered to his wife during his employment with the Respondent which he claims have not been paid. The Complainant therefore claims he has not been provided the level of health benefits coverage specified in the Employer Benefit Plan.

Article XX Section (c)(3)(i) of the Wage Agreement requires each signatory Employer to establish and maintain an Employee Benefit Plan and states that benefits provided by the Employer pursuant to such plan shall be guaranteed during the term of the Agreement by that Employer at levels set forth in such plans.

Under Article II A(1) and (4) of the Employer Benefit Plan, persons who are actively at work for the Employer on the effective date of the Wage Agreement are eligible to receive health benefits pursuant to Article III of the Plan. Persons employed after the date of the Wage Agreement will be eligible from the first day worked with the Employer. Article II D. (1) of the Employer Benefit Plan provides health benefits coverage for the eligible spouse of an active Employee. Inasmuch as the Complainant satisfied the definition of active Employee as set forth in Article II A. (1) and (4) of the Plan, the Complainant's wife is eligible to receive, and the Respondent is required to provide, health benefits coverage at the levels prescribed by the Employer Benefit Plan for as long as she satisfies the eligibility requirements of Article II D. of the Plan.

The Trustees have addressed the issue of an Employer's use of an "80/20" health coverage plan in RODs 81-556 and 84-030 (enclosed herein), and concluded that the level of benefits to be provided to Employees, Pensioners and their dependents and survivors is established through collective bargaining and may not be unilaterally changed. Accordingly, the Trustees conclude that the Respondent's use of an "80/20" health coverage plan is inconsistent with the provisions of the Wage Agreement and the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible, under the National Bituminous Coal Wage Agreement of 1981, for the provision of health benefits coverage for the Complainant's wife at the levels specified in the Employer Benefit Plan during his active employment with the Respondent.