
OPINION OF TRUSTEES

In Re

Complainants: Laid-off and Disabled Employees
Respondent: Employer
ROD Case No: 84-515 - January 19, 1988

Board of Trustees: Joseph P. 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 provision of health benefits coverage under the terms of the Employer Benefit Plan.

Background Facts

Eleven of the Complainants were employed in classified jobs for the Respondent until they were laid off on February 16, 1987, or on September 14, 1987, when the Respondent ceased operations. Three of the Complainants ceased work in classified jobs for the Respondent because of disability. The representative for the Complainants states that the Respondent has not paid the insurance premiums for the Complainants' health benefits coverage since January 1987. He contends that the Complainants are entitled to health benefits coverage as active, laid-off, and disabled Employees beyond January 31, 1987 during their individual periods of eligibility.

The Respondent states that it has paid the insurance premiums for the Complainants' health benefits coverage through March 31, 1987. The Respondent also states that it intends to pay the Complainants' outstanding medical bills as soon as it is financially able to do so.

Dispute

Whether the Respondent is responsible for providing health benefits coverage for the Complainants as active, laid-off, and disabled Employees.

Positions of the Parties

Position of the Complainants: The Respondent is responsible for providing health benefits coverage for the Complainants as active, laid-off, and disabled Employees.

Position of the Respondent: The Respondent has been financially unable to provide health benefits coverage for the Complainants; however, the Respondent intends to pay the Complainants' outstanding medical bills as soon as it is financially able to do so.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides in pertinent part:

(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 (Employer's Name).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1984, 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. (4) of the Employer Benefit Plan provides:

Article II - Eligibility

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

A. Active Employees

- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

Article III D. (1) (a) and (b) of the Employer 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:

<u>Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Worked</u>	<u>Period of Coverage Continuation from the Date Last Worked</u>
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

(b) Disability

Except as otherwise provided in Article II, section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, life and accidental death and dismemberment coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period as set forth in the schedule in (a) above.

Discussion

Article XX (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Employees. The Wage Agreement stipulates 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 Plan. The Respondent's claim that it is financially unable to provide health benefits coverage does not relieve it of its obligation to provide such coverage under the terms of the Wage Agreement. Article II A. of the Employer Benefit Plan provides health benefits coverage for an active Employee working in a classified

job for a signatory Employer. Article II C. (3) provides health benefits coverage for a disabled Employee who is receiving or would be eligible to receive Sickness and Accident Benefits pursuant to the Wage Agreement. In addition, Article III D. (1)(a) provides continued benefits coverage for a laid-off Employee for a defined period based upon the number of hours worked for the Employer during the 24-month period immediately prior to the date last worked. Article III D. (1)(b) provides continued benefits coverage for an Employee who ceases work because of disability for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period based on the number of hours worked as set forth in Article III D. (1)(a).

For those Complainants who were actively employed in classified positions until they were laid off by the Respondent, the Respondent is responsible for providing health benefits coverage through their dates last worked and through their individual periods of coverage continuation as required under Article III. D. (1)(a). For the Complainants who ceased work because of disability, the Respondent is responsible for providing continued health benefits coverage through the period required under Article III. D. (1)(b).

Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage for the Complainants during their individual periods of eligibility as determined under the terms of the Employer Benefit Plan.