
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-011 - July 21, 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 for laid-off Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants were employed in classified jobs by the Respondent until March 1, 1988, when they were laid off. On March 2, 1988, the Respondent ceased operations. Information provided to the Funds indicates that the Respondent terminated the Complainants' health benefits coverage, effective February 1, 1988. The Complainants have stated that they have unpaid medical bills which were incurred during their employment with the Respondent and during their layoff. The Complainants contend that the Respondent is responsible for providing their health benefits coverage as Employees and during their individual periods of eligibility as laid-off Employees.

The Respondent was signatory to the National Bituminous Coal Wage Agreement of 1984, which expired on January 31, 1988. On January 27, 1988, the Respondent signed an Interim Agreement indicating its intent to be bound by the terms of the agreement "successor to the 1984 National Agreement."

Dispute

Whether the Respondent is responsible for providing health benefits coverage for the Complainants as Employees and laid-off Employees under the terms of the Employer Benefit Plan.

Positions of the Parties

Position of the Complainants: The Respondent is responsible for providing health benefits coverage for the Complainants as Employees and during their individual periods of eligibility as laid-off Employees.

Position of the Respondent: The Respondent has not replied to repeated correspondence from Funds' staff requesting its position in this dispute.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreements of 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.

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 1988, 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 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

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;

Article III D. (1) (a) 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:

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

¹ Actively at work includes an Employee of the Employer who was actively at work on January 31, 1988, and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement.

The Respondent was signatory to the 1984 Wage Agreement. Although it has not executed the 1988 Wage Agreement, the Respondent signed an Interim Agreement on January 27, 1988, in which it agreed to be bound by the terms and conditions of the "agreement successor to the 1984 National Agreement." The signatory status of an Employer who has signed such an agreement was addressed

by the Trustees in ROD 84-055 (enclosed herein). In their decision, the Trustees concluded that such an Employer must be considered signatory to the successor Wage Agreement. Accordingly, the Respondent, by virtue of its executed Interim Agreement, is considered signatory to the 1988 Wage Agreement.

Article XX Section (c)(3)(i) of the 1984 and 1988 Wage Agreements 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 Agreements stipulate that benefits provided by the Employer pursuant to such Plans shall be guaranteed during the terms of the Agreements by that Employer at levels set forth in such Plans.

Article II A. of the Employer Benefit Plan provides health benefits coverage for active Employees of a signatory Employer. Article III D. (1) (a) of the Employer Benefit Plan provides continued benefits coverage for laid-off Employees 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. Inasmuch as the Complainants were employed in classified positions by the Respondent until March 1, 1988, when they were laid off, the Respondent is responsible for providing health and other non-pension benefits coverage for the Complainants throughout their individual periods of eligibility as Employees and laid-off Employees, as determined under the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing continued health and other non-pension benefits coverage for the Complainants throughout their individual periods of eligibility as Employees and laid-off Employees, as determined under the terms of the Employer Benefit Plan.