
OPINION OF TRUSTEES

In Re

Complainants: Disabled Employees
Respondent: Employer
ROD Case No: 88-244 - June 8, 1990

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee; Thomas H. Saggau, 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 disabled Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants are two disabled Employees who sustained compensable injuries while performing classified work for the Respondent. One of the Complainants began working for the Respondent on August 3, 1988 and ceased work because of his injury in March 1989. The other Complainant, began working for the Respondent in March 1989, and ceased work because of his injury on October 24, 1989. As a result of their injuries, the Complainants have been unable to return to work and are receiving Workers' Compensation benefits.

The Complainants state that the Respondent has failed to pay the insurance premiums for their health benefits coverage. According to information provided to the Funds, the Complainants' health benefits coverage was cancel led July 31, 1989. The Complainants have submitted information indicating that medical expenses incurred by them and their dependents after July 31, 1989 have not been paid. The Complainants contend that the Respondent is required to pay their outstanding medical bills and to provide coverage for the remainder of their periods of eligibility under the terms of the Employer Benefit Plan.

Dispute

Whether the Respondent is responsible for providing health benefits coverage for the Complainants beyond July 31, 1989.

Positions of the Parties

Position of the Complainants: The Respondent is responsible for providing health benefits coverage for the Complainants beyond July 31, 1989 pursuant to the terms of the Employer Benefit Plan.

Position of the Respondent: The Respondent has not responded 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 Agreement of 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. (4) and C. (3) 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

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

C. Disabled Employees

In addition to disabled Pensioners who are receiving pension benefits and are therefore entitled to receive health benefits under paragraph 8 of this Article II, health benefits under Article III shall be provided to any Employee who:

- (3) Is receiving or would, upon proper application, be eligible to receive Sickness and Accident Benefits pursuant to the Wage Agreement.

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

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

(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 Section (c)(3)(i) of the 1988 Wage Agreement 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.

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) (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).

One of the Complainants was employed by the Respondent from August 3, 1988 until March 1989 when he ceased work because of disability; the other Complainant was employed by the Respondent from March 1989 until October 24, 1989, when he ceased work because of disability. Information submitted in this case indicates that the Complainants' health benefits coverage was terminated on July 31, 1989. Inasmuch as the Complainants were actively employed in classified positions by the Respondent until they ceased work because of disability, the Respondent is responsible for providing health benefits coverage during their employment and during their individual periods of eligibility for continued coverage as determined under Article III D. (1) (b) of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage for the Complainants and for payment of the covered medical expenses incurred by the Complainants and their eligible dependents during their individual periods of eligibility beyond July 31, 1989, as determined under the terms of the Employer Benefit Plan.