
OPINION OF TRUSTEES

In Re

Complainants: Laid-off Employees
Respondent: Employer
ROD Case No: 88-649 - March 12, 1993

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee;
Marty D. Hudson, Trustee; Elliot A. Segal, 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 continued benefits coverage for a laid-off Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants were employed in classified positions for the Respondent when they were laid off on June 19, 1992. The company ceased operations on June 30, 1992. The representative for the Complainants states that the Respondent has failed to provide health benefits coverage for the Complainants as determined under the Employer Benefit Plan. According to the information provided in this case, the Respondent often switched insurance companies and then failed to pay the insurance premiums for the Complainants' health benefits coverage. The Complainants have not had health benefits coverage since May 1992. As a result, the Complainants have incurred unpaid bills for medical services.

Dispute

Is the Respondent required to provide payment for the Complainants' covered medical charges incurred during their employment and to provide continued health benefits coverage for the Complainants as laid-off Employees under the terms of the Employer Benefit Plan?

Position of the Complainant: The Respondent is required to pay the covered medical charges incurred by the Complainants and their eligible dependents and to provide health benefits coverage for the Complainants during their employment and during their periods of eligibility for continued coverage as laid-off Employees under the terms of the Employer Benefit Plan.

Position of the Respondent: The Respondent states that it is financially unable to provide health benefits coverage for the Complainants.

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 fourth 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.
- (5) "Pensioner" 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) 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

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 active Employees working in classified jobs for a signatory Employer. In addition, Article III D. (1)(a) 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 actively employed in classified positions by the Respondent until they were laid off in June 1992, 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)(a) of the Employer Benefit 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 and the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is required to provide payment for the covered medical expenses incurred by the Complainant and their eligible dependents during their employment and during their individual periods of eligibility as laid-off Employees, as determined under Article III. D. (1)(a) of the Employer Benefit Plan.