
OPINION OF TRUSTEES

In Re

Complainants: Laid-off and Disabled Employees
Respondent: Employer
ROD Case No: 88-798 - June 23, 1995

Trustees: Thomas F. Connors, Michael H. Holland, Marty D. Hudson and Robert T. Wallace.

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of benefits under the terms of the Employer Benefit Plan.

Background Facts

The Complainants are laid-off and disabled Employees whose last classified signatory employment in the coal industry was for the Respondent. The laid-off Employees last worked for the Respondent in December 1992, when the Respondent ceased its coal mining operations. The Respondent was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988, which expired on February 1, 1993, and did not sign the 1993 Wage Agreement. The Complainants' health benefits coverage was terminated on November 30, 1992.

Dispute

Is the Respondent required to provide health benefits coverage for the Complainants beyond November 30, 1992?

Positions of the Parties

Position of the Complainants: The Respondent is required to provide health benefits coverage for the Complainants as laid-off and disabled Employees. The representative for the Complainants states that its position is supported by a previous decision of the Trustees in ROD 84-683.

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

Pertinent Provisions

Article XX(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. (1) and (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

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;
- (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 B of this Article II, health benefits under Article III shall also 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.

Life and accident death and dismemberment insurance shall also be provided to Employees described in (3) above.

* 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.

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:

<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 insurance 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 each signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Employees as well as Pensioners whose last signatory classified employment was with such Employer.

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).

Whether the Respondent is contractually obligated to provide such coverage to its laid-off Employees beyond the expiration of the 1988 Wage Agreement, when the Respondent did not sign the 1993 Wage Agreement, has been previously decided by the Trustees in RODs 81-586, 84-629, 84-681, and 84-683 (copies enclosed herein). The Trustees found that active Employees who were laid off prior to the expiration of the Wage Agreement are entitled to the period of health benefits coverage as specified by the Wage Agreement. Similarly for disabled Employees in ROD 81-648 (copy enclosed herein), the Trustees found that "... disabled Employees who are otherwise eligible for continued coverage under Article III. D. (1)(b) are entitled to the period of continued coverage specified in the Employer Benefit Plan, as are laid-off Employees."

The Respondent's claim that it is financially unable to provide benefits coverage does not relieve it of its obligation to provide health benefits coverage under the terms of the Wage Agreement.

Opinion of the Trustees

The Respondent is required to provide continued health benefits coverage for the Complainants who were laid off, during their individual periods of eligibility as set forth in Article III D. (1)(a). The Respondent is also required to provide continued health benefits coverage for the Complainants who were disabled, during their individual periods of eligibility, as set forth in Article III D. (1)(b).