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## OPINION OF TRUSTEES

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### In Re

Complainant: Laid-off Employees  
Respondent: Employer  
ROD Case No: 98-038 - January 28, 2003

Trustees: A. Frank Dunham, Michael H. Holland, Marty D. Hudson and  
Elliot A. Segal.

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 positions for the Respondent on January 31, 2002, when they were laid off, and the company ceased operations. The representative for the Complainants states that the Respondent stopped paying medical claims around August 2001. As a result, the Complainants have received collection notices. The representative for the Complainants also states that the Respondent is required to provide payment of the covered medical expenses incurred by the Complainants and their eligible dependents during their employment and during their period of eligibility for continued coverage as laid-off Employees.

The UMWA filed a lien against the Respondent for the Complainants unpaid medical bills. The Respondent states that money to pay the unpaid medical bills is currently in an escrow account and should be released shortly. The representative for the Complainants states that the money for the Complainants' medical bills has been released; however, it is insufficient to pay all the outstanding medical bills. In addition, the representative states that there is no money to provide continuation of coverage for the laid-off employees.

The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1998.

### Dispute

Is the Respondent required to provide coverage for the Complainants' unpaid medical bills and for the provision of health benefits coverage for the Complainants as laid-off Employees under the terms of the Employer Benefit Plan?

Positions of the Parties

Position of the Complainant: The Respondent is responsible for payment of the covered medical charges incurred by 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 the delinquent accounts will be settled.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1998 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 and who are not eligible to receive benefits from a plan maintained pursuant to the Coal Act. The benefits provided by the Employer to its eligible Participants pursuant to such plan shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plan. . . .

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 Agreement of 1998, 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 person eligible to receive the health benefits pursuant to Article III are as follows:

### A. Active Employee

- (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:

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

Article XX (c)(3)(i) of the 1998 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. 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. (4) of the Employer Benefit Plan provides health benefit coverage for active Employees working in classified jobs for a signatory Employer. Article III D. (1)(a) of the Plan provides continued benefits coverage for laid-off Employees based upon the number of hours worked for the Employer during the 24-month period immediately prior to the date last worked. The Complainants were actively employed in classified positions when they were laid off by the Respondent in January 2002. Therefore, the Respondent is required to provide health benefits coverage to the Complainants during their employment and for the continuation of the Complainants' health benefits coverage beyond January 2002, pursuant to Article III. D. (1)(a) of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is required to provide payment of the covered medical expenses incurred by the Complainants and their eligible dependents during their employment and during their individual periods of eligibility for continued coverage as laid-off Employees, consistent with the terms of the Employer Benefit Plan.