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OPINION OF TRUSTEES

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In Re

Complainant: Pensioner S  
Respondent: XYZ Trucking Co.  
ROD Case No. 2. June 27, 1979

Board of Trustees: Julius Mullins, Chairman; John J. O'Connell, Trustee; Paul R. Dean, Trustee.

Pursuant to Article IX of the United Mine Workers of America 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 about an individual retiree's eligibility for health and other non-pension benefits from an Employer and hereby render their opinion on the matter.

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Background Facts

S worked-in classified jobs for the Employer from 1967 to May 1976, his retirement, and was eligible for health benefits as an active miner during that period. A 1974 Plan pension was approved for him effective November 1976 and he was eligible for health and death benefit coverage as a pensioner under the 1974 Benefit Plan from that date until December 6, 1977, and from March 27, 1978 through May 31, 1978. His eligibility then terminated under the 1974 Benefit Trust, pursuant to the 1978 NBCWA, and he was notified by the Funds that his former Employer, XYZ Trucking Company, would provide health and other benefit coverage.

The Employer, a signatory to the NBCWA of 1978, was signatory to the 1974 NBCWA and at the time of S' last employment in 1976 employed 40-45 men who operated company-owned trucks and other equipment at the mine site of ABC Coal Company, a signatory. A dispute developed between LU-ABC which had jurisdiction over ABC Coal Company employees and LU-XYZ which covered XYZ Trucking Company employees. As a result, all XYZ Trucking Company employees working at ABC Coal Company, including S, lost their jobs. The work they performed is now done by ABC Coal Company employees who operate XYZ Trucking Company equipment on lease. XYZ Trucking Company mechanics continue to service the equipment leased to ABC Coal Company and XYZ Trucking Company has other employees who operate equipment on non-UMWA jobs. For January, 1979, XYZ Trucking Company paid royalty on 13 employees who worked 1151 hours.

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Question or Dispute

Is XYZ Trucking Company, Inc., required to provide NBCWA of 1978, Article XX, health and other non-pension benefits to S and his eligible dependents for the period beginning June 1, 1978?

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Positions of the Parties

Pensioner's Position: XYZ Trucking Company, Inc., is required to provide health and other non-pension benefits to S and his eligible dependents under NBCWA of 1978, Article XX (C)(3), because S is a 1974 Plan pensioner whose last classified employment was with XYZ Trucking Co., Inc.

Employer's Position: XYZ Trucking Co., Inc., is not required to provide such benefits to S and his dependents because S' classified employment with XYZ Trucking Co., Inc., was terminated in May, 1976 as a result of a jurisdictional dispute between UMWA Local Unions ABC and XYZ. XYZ Trucking Co., Inc., lost jobs as a result of the resolution of this Union dispute. Consequently, XYZ Trucking Co., Inc., cannot afford to provide benefit coverage for S and its other Employee's terminated because of the Local Union dispute.

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Pertinent Provisions of National Bituminous Coal Wage Agreement

NBCWA of 1978, Article XX, Section (C)(3) provides:

.....(E)ffective on June 1, 1978, each signatory Employer shall establish 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 classified employment was with such Employer.

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Discussion

S is a 1974 Plan pensioner whose last classified employment was with XYZ Trucking Co., Inc., in May 1976. XYZ Trucking Co., Inc., is still in business and is signatory to the NBCWA of 1978. The governing provision of the Agreement, set forth above, does not evidence any intent to excuse an Employer from providing benefits to an otherwise eligible pensioner because of the Employer's current financial condition or because of any unusual circumstances surrounding the cause of the Employee's retirement.

Under the Employer's theory, had S voluntarily terminated his employment before the Union's jurisdictional dispute, the Employer would be required to provide health benefits to him. If the Employer's position is adopted, pensioner S will be penalized for remaining on the job until he was terminated for reasons beyond his control.

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The Trustees are of the opinion that the XYZ Trucking Co., Inc., is required to provide health and other non-pension benefits to S and his eligible dependents, for the period beginning June 1, 1978, subject to the limitations provided in the plan, pursuant to NBCWA of 1978, Article XX, Section (C)(3).