

May 30, 1984

(Opinion issued in letter form; name and address deleted)

Re: Opinion of Trustees
Resolution of Dispute
Case No. 81-170

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 your Request for Resolution of Dispute concerning health benefits coverage for a laid-off employee, and hereby render their opinion in this matter.

You worked in a classified position at a mine operated by Sugar Tree Coal Company ("Sugar Tree"), a signatory to the National Bituminous Coal Wage Agreement of 1981 ("1981 Wage Agreement"), from 1980 until April 30, 1982, when you were laid off. Sugar Tree leased the mine from Island Creek Coal Company ("Island Creek") and Island Creek provided health benefits for employees of Sugar Tree. During the 24 month period prior to your lay-off, you worked more than 2,000 hours for Sugar Tree.

Sugar Tree has not responded to any of our correspondence. Island Creek contends that, because you were employed by Sugar Tree, Island Creek is not responsible for the provision of health benefits coverage.

Under Article III.D. of the Employer's Benefit Plan, if an Employee ceases work because of layoff, the Employer must provide continuation of health and other non-pension benefits for a period determined by reference to the number of hours the Employee worked for the Employer during the 24-month period prior to the Employee's date last worked. An Employee who has worked more than 2,000 hours months prior to his date last worked is entitled to health benefits coverage for the balance of the month last worked plus 12 months.

Under the 1981 Wage Agreement, a signatory employer is obligated to provide health benefits throughout the term of the Wage Agreement. Because Sugar Tree was signatory to the 1981 Wage Agreement, it was obligated to provide health benefits coverage to its employees in accordance with the Employer's Benefit Plan. You worked for more than 2,000 hours during the 24-month period prior to your last date worked in April, 1982, and, accordingly, you are entitled

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to health benefits coverage through May 31, 1983. The Trustees therefore conclude that Sugar Tree is responsible for the provision of health benefits coverage through May 31, 1983.

The Trustees determined at their March 27, 1984 meeting, however, that Sugar Tree was no longer in business, within the meaning of the UMWA 1974 Benefit Plan, as of April 10, 1982. You are therefore eligible for continued benefits coverage from the 1974 Benefit Plan from your date last worked in April, 1982, through May 31, 1983.

Sincerely,

Harrison Combs, Chairman

John J. O'Connell, Trustee

Paul R. Dean, Trustee