
OPINION OF TRUSTEES

In Re

Complainants: Pensioners
Respondent: Employer
ROD Case No: 81-311, 81-313 and 81-348 - January 30, 1984

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

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 as to which Employer is responsible for the Pensioners under the terms of the Employer's Benefit Plan and hereby render their opinion on the matter.

Background Facts

The Respondent operates a mine on the property of the Lessor. Through a contractual agreement with the Respondent, the Lessor provided benefits coverage for the Respondent's Employees and Pensioners. On May 14, 1983, the Lessor notified the Complainants that their benefits coverage was terminated as of May 31, 1983, as the Respondent had refused to pay the insurance premiums for their coverage. The Certificate of Retirement for the Complainants indicates that their last classified signatory employment was with the Respondent.

Question of Dispute

Is the Respondent or the Lessor responsible for the provision of benefits coverage for the Complainants?

Position of the Parties

Position of the Complainants: The Respondent, as the last Employer for whom they performed classified signatory employment, is responsible for the provision of benefits coverage.

Position of the Respondent: As the Lessor previously paid the premiums and provided benefits coverage for the Complainants, the Respondent maintains that it is not responsible for the continued provision of benefits coverage.

Position of Lessor: The Complainants' last classified signatory employment was with the Respondent who, as a signatory employer, is obligated by Article XX, Section (c)(3)(i) of the

Wage Agreement to maintain a Benefit Plan to provide benefits coverage for its Employees and Pensioners.

Pertinent Provisions

Article I (1), (2) and (5) of the Employer's Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (coal company))
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1981, as amended from time to time and any successor agreement....
- (5) "Pensioner" shall mean any person who is receiving a pension, other than (i) a deferred vested pension based on less than 20 years of credited service or, (ii) a pension based in whole or in part on years of service credited under the terms of Article II G of the 1974 Pension Plan, or any corresponding paragraph of any successor thereto, under the 1974 Pension Plan (or any successor thereto), whose last classified signatory employment was with the Employer, subject to the provisions of Article II B of this Plan.

Article II B. (1) (a) and (b) of the Employer's Benefit Plan provide:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

B. Pensioners

Health benefits and life insurance under Article III hereof shall be provided to Pensioners as follows:

- (1) Any Pensioner who is not again employed in classified signatory employment subsequent to
 - (a) such Pensioner's initial date of retirement under the 1974 Pension Plan, and
 - (b) June 7, 1981, shall be eligible for coverage as a Pensioner under, and subject to all other provisions of this Plan. Notwithstanding (i)

and (ii) of the definition of Pensioner in Article I (5) of this Plan, any such Pensioner who was eligible for benefits under the 1974 Benefit Plan as a Pensioner on December 5, 1977, shall be eligible for such benefits, subject to all other provisions of this Plan.

Discussion

Correspondence from the Lessor of the coal property, on which the Respondent is operating a mine, indicates that the Respondent entered into a "Contractor Agreement" with the Lessor on January 26, 1982, wherein the Lessor agreed to act as the Respondent's agent and remit premiums to its insurance carrier for the Respondent. These premiums were for the provision of health benefits coverage under the Employer's Benefit Plan for the Respondent's Employees. The Respondent agreed to reimburse the Lessor for all premium payments made on its behalf.

The Respondent contacted the Lessor and denied any liability for provision of benefits coverage for the Complainants after May 31, 1983. In turn, the Lessor notified the Complainants of the Respondent's decision and recommended that they contact the Respondent concerning benefits coverage after May 31, 1983.

Evidence in file indicates that the Complainant's last classified signatory employment was for the Respondent. Therefore, even though the Respondent may have had an agreement with the Lessor to provide benefits coverage for its Employees and Pensioners, the agreement does not alter the Respondent's responsibility to provide health benefits coverage for the Complainants.

Opinion of the Trustees

The Trustees are of the opinion that the Respondent is responsible for the provision of benefits coverage for the Complainants as provided by Article II B. (1) (a) and (b) of the Employer's Benefit Plan.