

Opinion of Trustees  
Resolution of Dispute  
Case No. 81-613  
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October 1, 1985

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

Re: Resolution of Dispute  
Case No. 81-613

Pursuant to Article IX of the United Mine Workers of America ("UMWA") 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 concerning the provision of health benefits coverage for laid-off Employees by the Employer under the terms of the Employer Benefit Plan.

The Complainants were Employees of Ritter-Greene Coal Company (Ritter-Greene), a subcontractor of Island Creek Coal Company, when it ceased operations in April of 1984. Barnett Supply Company (Barnett Supply) subsequently signed a leasing agreement with Island Creek and began to operate at the same mine site on July 9, 1984. Barnett Supply signed the 1981 National Bituminous Coal Wage Agreement on July 17, 1984.

During the week of July 9 through July 16, 1984, Barnett Supply operated the mine with five former Employees of Ritter-Greene. On July 16, 1984, Barnett Supply suspended operations and laid off the five Employees. Barnett Supply resumed production on September 4, 1984, and subsequently signed the 1984 Coal Wage Agreement on October 1, 1984. When production resumed, several former Ritter-Greene Employees were hired as new Employees; however, Barnett Supply refused to recognize the seniority rights of these Employees. The Complainants, who claim to have been last employed by Barnett Supply Company, maintain that Barnett Supply is a successor to Ritter-Greene Coal Company. They state that following their individual layoffs, the Employer failed to provide them with continued health benefits coverage based on their combined hours worked for Barnett Supply and Ritter-Greene.

The Employer, Barnett Supply, maintains that it is not a successor to Ritter-Greene Coal Company. In addition, it states that although it employed five former Employees of Ritter-Greene, they worked for Barnett Supply for only a few days, from July 12 through July 16, 1984, a period prior to July 17, 1984, the date on which it signed the 1981 Coal Wage Agreement. The Employer believes, therefore, that it is not responsible for continued health benefits coverage for those Employees because the Agreement was not in effect during the days that they worked.

Another Complainant worked for the Employer from September 4, 1984 until he was laid off on November 15, 1984. Payroll statements provided to the Funds indicate that this Complainant worked a total of 497 hours for the Employer within the 24 consecutive month period prior to his

date last worked. The Employer provided continuation of benefits coverage for this Employee for a period of 30 days from his date last worked.

Under the provisions of Article III D 1(a) of the Employer Benefit Plan, if an Employee ceases work because of layoff, continued benefits coverage will be determined based on the number of hours worked for the Employer in the 24 consecutive month period immediately prior to the Employee's last day worked. This provision, for example, provides continuation of benefits coverage for 30 days for Employees who complete less than 500 hours for the Employer during the 24 consecutive month period prior to the date last worked. In ROD number 81-338 (enclosed herein), however, the Trustees have previously decided that there is no provision in the Employer Benefit Plan that requires the laid-off Employee's last Employer to provide continuation of coverage for the Employee based on hours worked for another Employer during the 24 consecutive month period prior to layoff. In a previous administrative investigation conducted by the Funds, it was determined that Barnett Supply is not a successor to Ritter-Greene Coal Company. Accordingly, continuation of coverage need only be based upon the hours worked for Barnett Supply during the 24 consecutive month period prior to the date last worked.

Inasmuch as the five former Employees of Ritter-Greene last worked for the Employer prior to the date the Employer became signatory to the 1981 Coal Wage Agreement, the Employer is not responsible for the provision of health benefits coverage for these Employees. The Employer is, however, responsible for the provision of continuation of health benefits coverage through December 14, 1984 for the Complainant who worked a total of 497 hours for the Employer subsequent to the date it became signatory, based on the 24 consecutive month period prior to his date last worked.

Sincerely,

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Joseph P. Connors, Sr., Chairman

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Paul R. Dean, Trustee

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William B. Jordan, Trustee

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William Miller, Trustee

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Donald E. Pierce, Jr., Trustee