

OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employees
Respondent: Employer
ROD Case No: 81-680 - May 28, 1986

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William B. Jordan, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee.

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 benefits coverage for laid-off Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants worked in classified employment for the Respondent who was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981. The Respondent did not sign the 1984 Wage Agreement; however, the Complainants continued working under an extension of the 1981 Wage Agreement until they were laid off on April 22, 1985.

On June 6, 1985, negotiations for a new Wage Agreement between the UMWA and the Respondent ceased. The remaining active Employees struck the Respondent on August 4, 1985. The Respondent subsequently terminated health benefits coverage for the Complainants on September 9, 1985.

The Complainants ask whether they are entitled to continuation of their health benefits coverage based on the number of hours worked for the Respondent during the 24 consecutive calendar month period immediately prior to the date they last worked.

The Respondent has stated that during an economic strike it is only obligated to advance the premiums for Employees' health and life insurance coverage for the first thirty (30) days of such strike. The Respondent has also stated that a majority of employees, including the Complainants, signed a waiver requesting that no premiums be advanced on their behalf;

premiums were advanced for those who chose to continue their coverage. The Respondent denies any further obligation to provide health benefits coverage for the Complainants.

Dispute

Are the Complainants entitled to continued health benefits coverage under the terms of the Employer Benefit Plan?

Positions of the Parties

Position of the Complainant: The Complainants ask whether they, as laid-off Employees, are entitled to continued health benefits coverage under the Employer Benefit Plan.

Position of the Respondent: The Complainants are not entitled to continued health benefits coverage under the Employer Benefit Plan which requires only that premiums be advanced for 30 days during the economic strike which began August 4, 1985.

Pertinent Provisions

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 (coal company).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1981, 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 (1) and (4) of the Employer Benefit Plan provide:

Article II - Eligibility

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

A. Active Employees

Benefits under Article III shall be provided to any Employee who:

- (1) is actively at work* for the Employer on the effective date of the Wage Agreement; or ...
- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

*"Actively at work" includes an Employee of the Employer who was actively at work on March 26, 1981, and who returns to active work with the Employer within two weeks after the effective date of the Wage Agreement.

Article III D (1) (a) and (2) 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 <u>Last Worked</u>	Period of Coverage Continuation from the <u>Date Last Worked</u>
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

(2) Advanced Insurance Premiums

In the event of an economic strike at the expiration of the Wage Agreement, the Employer will advance the premiums for its health, vision care and life and accidental death and dismemberment insurance coverage for the first 30 days of such strike. Such advanced premiums shall be repaid to the Employer by such Employees through a checkoff deduction upon their return to work. Should a strike continue beyond 30 days, the Union or such Employees may elect to pay premiums themselves.

Discussion

Under Article III D (1) (a) of the Employer Benefit Plan, the Respondent is required to provide continued benefits coverage to laid-off Employees based upon the number of hours worked in the 24-month period immediately prior to their last date worked. In the event of an economic strike, Article III D (2) of the Employer Benefit Plan requires the Employer to advance the Employees' insurance premiums for only the first 30 days of such strike.

Inasmuch as the Respondent was struck on August 4, 1985 and health benefits coverage was provided for the Complainants until September 9, 1985, the Trustees conclude that the Respondent is thereby relieved of obligation for the duration of the strike to provide health benefits coverage for the Complainants.

Opinion of the Trustees

The Complainants are not entitled to continued health benefits coverage beyond September 9, 1985, the date such benefits were terminated by the Respondent.