
OPINION OF TRUSTEES

In Re

Complainants: Employees
Respondent: Employer
ROD Case No: 81-682 - October 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 level of health benefits coverage for Employees under the terms of the Employer Benefit Plan.

Background Facts

According to information reported to the Funds by the Respondent, the Complainants began working for the Respondent in classified positions in February and March of 1983. The Complainants continued working for the Respondent until they were laid off in mid-April of 1985.

The Complainants have submitted copies of bills for medical services rendered during their employment with the Respondent. From the information submitted, it appears that only some of these bills were paid by the various insurance carriers retained by the Respondent during this period. The Complainants have indicated that some of the unpaid bills are for services rendered during periods when no coverage was provided by the Respondent. They have also indicated that payment for some of the bills was denied by the various insurance carriers because the Respondent was not providing the level of coverage that is required under the Employer Benefit Plan.

The Respondent was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981. Records maintained by the Funds indicate that on October 22, 1984, the Respondent signed a Letter of Agreement wherein it agreed to be bound by and comply fully with the terms and conditions of the successor agreement to the 1981 Wage Agreement. The Respondent has failed to respond to repeated correspondence from the Funds regarding its position in this dispute.

Dispute

Is the Respondent responsible for the provision of health benefits coverage for the Complainants at the level prescribed by the Employer Benefit Plan?

Positions of the Parties

Position of the Complainants: The Respondent is responsible for the provision of the Complainants' health benefits during their periods of eligibility at the level prescribed by the Employer Benefit Plan.

Position of the Respondent: The Respondent has failed to present its position in this dispute.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreements of 1981 and 1984 provide:

(c) 1974 Plans and Trusts

- (3) (i) Each signatory Employer shall establish and maintain 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 signatory classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans. Such plans shall also include that each signatory Employer continue to make the death benefit payments in pay status as of December 5, 1977, for deceased Employees and Pensioners under the 1974 Pension Plan whose last signatory classified employment was with such Employer, in the same manner and in the same amounts as previously provided for in the 1974 Benefit Plan and Trust. The plans established pursuant to this subsection are incorporated by reference and made a part of this Agreement, and the terms and conditions under which the health and other non-pension benefits will be provided under such plans are as to be set forth in such plans.

Article I (1), (2) and (4) of the Employer Benefit Plans provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (Employer's Name)
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1981 [1984], 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 Plans 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 [September 30, 1984], 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 (f) of the Employer Benefit Plans provide in pertinent part:

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:

<u>Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Worked</u>	<u>Period of Coverage Continuation from the 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

(f) Other Employment

Notwithstanding the foregoing, in the event an Employee accepts employment during a period of continued coverage under paragraph (a), health, life and accidental death and dismemberment coverage will terminate as of the date of such employment.

Discussion

Article XX(c)(3)(i) of the 1981 and 1984 Wage Agreements requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits to its employees. The Wage Agreements stipulate that benefits provided by the Employer pursuant to such plans shall be guaranteed during the term of the Agreements by that Employer at levels set forth in such plans. The Respondent was signatory to the 1981 Wage Agreement, and as the Trustees established in ROD 84-115, by virtue of its executed Letter of Agreement with the UMWA, the Respondent is signatory to the 1984 Wage Agreement. Therefore, the Respondent is responsible to provide those benefits specified in the Agreements and in the Plans incorporated by reference therein, during the terms of those Agreements at the level set forth in such Plans.

Article II A. of the Employer Benefit Plan provides health benefits coverage to employees working in classified jobs for signatory employers. Article III D.' 1(a) provides continued benefits coverage for laid-off employees for defined periods based upon the number of hours worked for the employer during the 24-month period prior to layoff. Article III D. (1) (f) stipulates that such period of continued benefits coverage will terminate as of the date a laid-off employee accepts other employment. Inasmuch as the Complainants were active Employees of the Respondent who were laid off in April 1985, the Respondent is responsible for providing their health benefits coverage during their active employment and for the continuation of such coverage during the Complainants' layoff for their individual periods of eligibility, as determined under the terms of the Employer Benefit Plan, until they accepted other employment.

Opinion of the Trustees

The Respondent is responsible for the provision of health benefits coverage for the Complainants at the level specified in the Employer Benefit Plan during the Complainants periods of eligibility as determined under the terms of the Employer Benefit Plan.