
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 84-108 - January 28, 1986

Board of Trustees: Joseph 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 an Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant began classified employment with the Respondent on or about July 1981. He was employed on a continuous basis until he was laid off on November 8, 1984. Shortly thereafter, the Respondent informed its Employees that health benefits coverage would be terminated as of January 1, 1985.

Funds' records show that a total of 915 hours were reported for the Complainant by the Respondent during the 24 consecutive calendar month period immediately prior to the Complainant's layoff on November 8, 1984.

On January 3, 1985, the Complainant, in association with several other laid-off Employees, filed a Resolution of Dispute with the Trustees requesting that the Respondent be found responsible for the provision of extended health benefits coverage from January 1, 1985, in accordance with the provisions of the Employer Benefit Plan. In response to that dispute, a representative of the Respondent notified the Funds that the Respondent resumed operations on April 16, 1985, at which time it recalled all laid-off Employees and restored their health benefits coverage. Furthermore, on August 23, 1985, the representative supplied the Funds with a copy of a notice which it posted on August 12, 1985 notifying its Employees to submit for payment all medical bills incurred during the period of January 1, 1985 through April 16, 1985.

The Complainant has submitted invoices for medical services incurred between November 1984 and April 1985 stating that the Respondent has not accepted responsibility for the payment of these charges. Therefore, the Complainant has once again asked that the Respondent be found responsible for the payment of all medical charges incurred between November 1984 and April 1985.

The Respondent was signatory to the National Bituminous Coal Wage Agreement of 1981. On October 1, 1984, the Respondent signed a Letter of Agreement signifying its intent to be bound by the terms of the 1984 National Bituminous Coal Wage Agreement, although to date it has not signed the actual agreement.

Dispute

Is the Respondent responsible for the provision of continued coverage for the Complainant and his eligible dependents from November 9, 1984 through April 15, 1985, based on the hours worked for the Respondent during the 24 consecutive calendar month period immediately prior to his last day worked?

Positions of the Parties

Position of the Complainant: The Complainant is entitled to continuation of coverage from November 9, 1984 through April 15, 1985 based on all hours worked for the Respondent during the 24 consecutive calendar month period prior to his layoff on November 8, 1984.

Position of the Respondent: The Respondent has stated that consideration of the medical charges incurred by the Complainant and his eligible dependents between November 9, 1984 and April 15, 1985 is contingent upon the Respondent's financial ability to pay such charges in the future.

Pertinent Provisions

Article XX (C)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides:

Article XX - Health and Retirement Benefits

(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.

Article I (1), (2) and (4) of the Employer Benefit Plan provides:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (name of Coal company).

- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 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) of the Employer Benefit Plan provides:

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

Article III D. (I) (a) 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:

* Actively at work includes an Employee of the Employer who was actively at work on September 30, 1984, and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement.

Numbers of Hours Worked for the
Employer in the 24 Consecutive
Calendar Month Period Immediately
Prior to the Employee's Date Last Period of Coverage Continuation
Worked from the Date Last Worked

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

Discussion

Records maintained by the UMWA Health and Retirement Funds indicate that on October 1, 1984, the Employer signed a Letter of Agreement in which it agreed, among other things, to be bound by the terms and conditions of the "agreement successor to the 1981 National Agreement." The signatory status of an Employer who has signed such a Letter of Agreement was addressed by the Trustees in ROD 84-055 (enclosed herein). In their decision, the Trustees concluded that the Employer must be considered signatory to the 1984 Wage Agreement. Accordingly, the Respondent, by virtue of its executed Letter of Agreement, is considered signatory to the 1984 Wage Agreement effective October 1, 1984.

Article XX (C)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 establishes that each signatory Employer shall provide health and other non-pension benefits for its Employees covered by the 1984 Wage Agreement. The benefits provided by the Employer to its eligible Participants shall be guaranteed during the term of the 1984 Wage Agreement at the levels set forth in the Employer Benefit Plan.

Article III D. (1) (a) of the Employer Benefit Plan provides that the continuation of health benefits coverage for a laid-off Employee is based upon the number of hours worked by the Employee during the 24 consecutive calendar month period immediately prior to the Employee's date last worked. The Complainant's date last worked was November 8, 1984, and the Respondent reported 915 hours for the Complainant during the 24 consecutive calendar month period immediately prior to that date. Therefore, under Article III D. (1) (a) of the Employer Benefit Plan, and consistent with all other provisions of the Plan, the Respondent is responsible for the provision of continued benefits coverage for the Complainant and his eligible dependents for the balance of November 1984 plus six months, a period extending beyond the date on which the Complainant returned to active employment, at which time his benefits coverage was reinstated.

Opinion of the Trustees

The Respondent is responsible, consistent with all other provisions of the Plan, for the payment of medical invoices for services incurred by the Complainant and his eligible dependents from November 9, 1984 through April 16, 1985.