
OPINION OF TRUSTEES

In Re

Complainant: Employees
Respondent: Employer
ROD Case No: 84-178 - August 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

The Complainants are the Employees of the Respondent. The Complainants' representative contends that the Respondent is providing substandard health benefits through the New York Life Insurance Company. He has submitted a Group Insurance Plan implemented through New York Life Insurance Company which indicates that benefit payments under this Plan are subject to a \$100 deductible for individual coverage and a \$200 deductible for family coverage; the Employer Benefit Plan does not include deductible payments. The Plan submitted by the Complainants' representative also indicates that benefit payments under this Plan are made for between 80 percent and 100 percent of covered expenses; the Employer Benefit Plan provides established payment amounts for specific services. In addition, several types of health benefits that are required under Article III of the Employer Benefit Plan, including vision care, are not covered in the New York Life Insurance Plan submitted by the Complainants.

The Complainants' representative asks that the Respondent be found responsible for the provision of health benefits coverage at the level prescribed by the terms of the Employer Benefit Plan established pursuant to the National Bituminous Coal Wage Agreement of 1984. The Respondent has failed to reply 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?

Position of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage for the Complainants at the level prescribed by the Employer Benefit Plan.

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

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides in pertinent part:

Section (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 or this Agreement by that Employer at levels set forth in such plans.

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 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 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

- (1) is actively at work* for the Employer on Wage Agreement;
- (4) A new Employee will be eligible for heal day worked with the Employer

Discussion

Article XX Section (c)(3)(i) of the 1984 Wage Agreement requires each signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits to its employees. The Wage Agreement stipulates that benefits provided by the Employer pursuant to such plan shall be guaranteed during the term of the Agreement by that Employer at levels set forth in such plans. Inasmuch as the Complainants are Employees of the Respondent, they are eligible for health benefits coverage under the terms of the Employer Benefit Plan.

Article III of the Employer Benefit Plan specifies the level of benefits to be provided by an Employer. Levels of benefits to be provided to Employees are established through collective bargaining and may not be unilaterally changed by an Employer. The Respondent's use of a non-conforming health coverage plan and its failure to provide certain types of coverage is inconsistent with the provisions of the 1984 Wage Agreement and the Employer Benefit Plan.

Opinion of the Trustees

The Respondent's use of a substandard health coverage plan violates the express provisions of the 1984 Wage Agreement. The Respondent is responsible for the provision of health benefits coverage for the Complainants at the level specified in the Employer Benefit Plan.

* 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.