

OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employees
Respondent: Employer
ROD Case No: 84-197 - July 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") 1980 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' representative has stated that on June 28, 1985, the Respondent closed its mine and laid off all its employees, and that on August 1, 1985, the Respondent terminated health benefits coverage for the Complainants without notifying them. The representative asks that the Respondent be found responsible for the payment of medical bills incurred by the Complainant after August 1, 1988 and for providing continued benefits coverage for the Complainants under the terms of the Employer Benefit Plan.

The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984. The Respondent has failed to answer repeated correspondence from the Funds requesting its position in this dispute.

Dispute

Is the Respondent responsible for providing continued benefits coverage to the Complainants after June 28, 1985?

Positions of the Parties

Position of the Complainants: The Respondent is responsible for the provision of continued health benefits to the Complainants for their individual periods of eligibility under the terms of the Employer Benefit Plan.

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

Pertinent Provisions

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

Article XX - Health and Retirement Benefits

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 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 (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 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

* 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.

- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

Article III D. (1)(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:

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

Article XX (c)(3)(i) of the 1984 Wage Agreement requires a signatory employer to establish and maintain an employer benefit plan to provide health and other non pension benefits for its employees. The benefits provided by the Employer pursuant to such plan shall be guaranteed by that Employer during the term of the 1984 Wage Agreement.

Article III D. (1)(a) of the Employer Benefit Plan provides continued benefits coverage for laid-off Employees based on their number of hours worked for the Employer during the 24-month

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period immediately prior to their last date worked. Inasmuch as the Complainants are laid-off employees of the Respondent, the Respondent is responsible for providing continued health benefits coverage to the Complainants for their individual periods of eligibility beyond June 28, 1985, under the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing continued health benefits coverage to the Complainants for their individual periods of eligibility beyond June 28, 1985, under the terms of the Employer Benefit Plan.