
OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employee
Respondent: Employer
ROD Case No: 84-300 - February 18, 1987

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 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 June 16, 1986. He was employed on a continuous basis until he was laid off on September 2, 1986, having last worked on August 29, 1986. He was recalled to work on October 1, and he last worked on October 8, 1986, before he was laid off again. The Complainant has stated, that to date the Respondent has refused to provide any health benefits coverage. The Complainant contends that he is entitled to health benefits coverage as an Employee and as a laid-off Employee 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 health benefits coverage for the Complainant?

Positions of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage for the Complainant during his employment and during his eligibility for continued coverage as a laid-off Employee.

Position of the Respondent: The Respondent has failed to inform the Funds of 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:

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 1 (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. (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

- (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:

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

Period of Coverage
Continuation 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

Article XX Section (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 to 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 II A. (4) of the Employer Benefit Plan provides health benefits coverage to a new Employee from the first day worked. Article III. D. (1) (a) of the Plan provides continued

benefits coverage for a laid-off Employee based on the number of hours worked for the Employer during the 24-month period immediately prior to his last date worked. Inasmuch as the Complainant was employed in a classified job by the Respondent from June 16, 1986 until August 29, 1986 and between October 1, 1986 and October 8, 1986, the Respondent is responsible for providing health benefits coverage to the Complainant and his eligible dependents during those periods. Inasmuch as the Complainant ceased work because of layoff on September 2, 1986, and then again on October 8, 1986, the Respondent is also responsible for the continuation of health benefits coverage during the Complainant's periods of eligibility as , determined under the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage to the Complainant and his eligible dependents during the Complainant's period of eligibility as determined under the terms of the Employer Benefit Plan.