

OPINION OF TRUSTEES

In Re

Complainants: Laid-off Employees
Respondent: Employer
ROD Case No: 84-320 - June 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 benefits coverage for laid-off Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants worked in classified jobs for the Respondent until September 25, 1986, when they were laid off. Each of the Complainants worked over 2000 hours for the Respondent in the 24-month period prior to September 25, 1986. In a letter dated October 29, 1986, the Respondent notified the Complainants that their benefits coverage was terminated effective November 1, 1986. The Complainants' representative contends that the Respondent is responsible for providing the Complainants with continued benefits coverage through September 30, 1987. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984.

Dispute

Whether the Respondent is responsible for providing continued benefits coverage for the Complainants after November 1, 1986?

Positions of the Parties

Position of the Complainants: The Respondent is responsible for providing continued benefits coverage for the Complainants through September 30, 1987.

Position of the Respondent: The Respondent has not responded to repeated correspondence by Funds' staff requesting its position in this dispute.

Pertinent Provisions

Article XX(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 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 (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) and (4) of the Employer Benefit Plan provide:

Article II - Eligibility

The persons eligible to receive 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 September 30, 1984, and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement.

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:

<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

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 the Employer during the term of the 1984 Wage Agreement.

Article III D. (1)(a) of the Employer Benefit 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 the date last worked. Inasmuch as each of the Complainants is a laid-off Employee who worked over 2000 hours for the Respondent in the 24-month period prior to the date last worked, September 25, 1986, the Respondent is responsible for providing continued

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health and other non-pension benefits coverage to the Complainants through September 30, 1987.

Opinion of the Trustees

The Respondent is responsible for providing continued health and other non-pension benefits coverage to the Complainants through September 30, 1987, under the terms of the Employer Benefit Plan.