
OPINION OF TRUSTEES

In Re

Complainant: Pensioners and Employees
Respondent: Employer
ROD Case No: 84-345 - April 27, 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 under the terms of the Employer Benefit Plan.

Background Facts

The Complainants are Pensioners, whose last classified signatory work in the coal industry was for the Respondent, and Employees who worked for the Respondent through November 6, 1986, when they were laid off and the Respondent ceased operations. Information reported to the Funds indicates that the Respondent provided the Complainants with health benefits coverage implemented through various insurance carriers at different times. Most recently, coverage was provided through Provident until September 30, 1986, when all coverage was terminated.

One of the Pensioners in this dispute has submitted unpaid bills for medical services provided to him and his wife during the period from October 25, 1986 to November 2, 1986. One of the laid-off Employees has submitted unpaid bills for medical services provided to him and his dependents between October 20, 1978 and November 20, 1979, and on June 10, 1981; he claims that no health benefits coverage was provided by the Respondent when those bills were incurred.

The Funds has determined that the Respondent is no longer in business, effective November 6, 1986, and the Complainants have been advised by letter that the Funds will provide health benefits coverage for Pensioners who last worked in classified signatory jobs for the Respondent, and for laid-off Employees of the Respondent for their respective periods of eligibility pursuant to Article II of the UMWA 1974 Benefit Plan and Trust, effective November 7, 1986.

The Complainants contend that the Respondent is responsible for payment of outstanding medical bills incurred prior to November 7, 1986. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984. The Respondent was also signatory to the 1978 and 1981 Wage Agreements. The Respondent has failed to respond to repeated correspondence from Funds' staff requesting its position in this dispute.

Dispute

Whether the Respondent is responsible for payment of the outstanding medical bills incurred by the Complainants prior to November 7, 1986.

Positions of the Parties

Position of the Complainants: The Respondent is responsible for payment of outstanding medical bills incurred prior to November 7, 1986.

Position of the Respondent: The Respondent has not provided its position in this dispute.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1978 [1981 and 1984] provides in pertinent part:

Article XX - Health and Retirement Benefits

Section (c) 1974 Plans and Trusts

(3)(i)...[E]ach 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 each Employer at levels set forth in such plans.

Article I (1), (2), (4) and (5) of the Employer Benefit Plans 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 1978 [1981 and 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.

- (5) "Pensioner" shall mean any person who is receiving a pension, other than [(i)] a deferred vested pension based on less than 20 years of credited service, [or (ii) a pension based in whole or in part on years of service credited under the terms of Article II G of the 1974 Pension Plan, or any corresponding paragraph of any successor thereto,] under the 1974 Pension Plan (or any successor thereto), whose last classified [signatory] employment was with the Employer, [subject to the provisions of Article II B of this Plan.]

Article II A. (1) and (4) and B. (1) of the Employer Benefit Plans 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 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.

B. Pensioners

Health benefits and life insurance under Article III hereof shall be provided to Pensioners as follows:

*Actively at work includes the Employee of the Employer who was actively at work on December 5, 1977 [March 26, 1981] [September 30, 1984], and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement.

- (1) Any Pensioner who is not again employed in classified signatory employment subsequent to

(a) such Pensioner's initial date of retirement under the 1974 Pension Plan, and

(b) October 1, 1984, shall be eligible for coverage as a Pensioner under, and subject to all other provisions of this Plan. Notwithstanding (i) and (ii) of the definition of Pensioner in Article I (5) of this Plan, any such

Pensioner who was eligible for benefits under the 1974 Benefit Plan as a Pensioner on December 5, 1977, shall be eligible for such benefits, subject to all other provisions of this Plan.

Discussion

Article XX Section (c)(3)(i) of the 1978, 1981, and 1984 Wage Agreements requires a signatory Employer to establish an Employer Benefit Plan to provide health and other non-pension benefits for its Employees, as well as Pensioners whose last signatory classified employment was with such Employer. The Wage Agreements stipulate that benefits provided by the Employer pursuant to such Plans shall be guaranteed during the term of the Agreements by that Employer at levels set forth in such Plans.

Article II A. of the Employer Benefit Plan provides health benefits coverage for Employees working in classified jobs for a signatory Employer. Article II B. of the Plan provides health benefits coverage to Pensioners who are receiving pensions under the 1974 Pension Plan. Inasmuch as the Complainants are Employees who were laid off on November 6, 1986, and Pensioners whose last signatory classified employment was with the Respondent, the Respondent is responsible for providing their health benefits coverage during their active employment and during their eligibility for pension benefits, respectively, until November 7, 1986, when the complainants became eligible for such coverage under the 1974 Benefit Plan and Trust.

Opinion of the Trustees

The Respondent is responsible for payment of covered medical expenses incurred by the Complainants as Employees and Pensioners during their respective periods of eligibility under the Employer Benefit Plan but prior to November 7, 1986.