

OPINION OF TRUSTEES

In Re

Complainants: Laid-off Employees
Respondent: Employer
ROD Case No: 84-365 - April 12, 1988

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 are Employees of the Respondent, Enoxy Coal, Inc. ("Enoxy"), who worked at Enoxy's Ten Mile Strip Mine and Ten Mile Preparation Plant until December 26, 1985, when they were laid off. Enoxy is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1981 and the 1984 Wage Agreement. From January 1, 1982 through on or about March 26, 1984, Enoxy's Ten Mile operations were managed, controlled and operated, under contractual arrangement, by Island Creek Coal Company (Island Creek"). On March 26, 1984 the contractual arrangement between Enoxy and Island Creek was terminated, and management of the Ten Mile operations was transferred to Enoxy. In an arbitration award dated April 14, 1985, it was established that Employees of Enoxy who worked at the Ten Mile operations prior to March 26, 1984, upon layoff, have the right to add their names to the panel of any Island Creek operation pursuant to Article XVII, Sections (h) and (k) of the Wage Agreement. In arbitration awards dated May 22, 1986 and June 15, 1986, it was further established that Employees of Island Creek who worked for Island Creek prior to March 26, 1984, have the right to add their names to the panels for Enoxy's Ten Mile operations. In each arbitration decision, it was determined that Enoxy and Island Creek are separate and distinct Employers.

During the 24-month period prior to being laid off by Enoxy, each Complainant worked over 500 hours but less than 2000 hours for the Respondent. Each Complainant also worked additional hours for Island Creek during that period. The representative for the Complainants asks whether the Respondent is responsible for providing the Complainants with continued coverage as laid-off Employees based on hours worked for Enoxy combined with hours worked for Island Creek. The Complainants' representative contends that based on the arbitration decisions, the

Respondent and Island Creek can be considered a single Employer for the purpose of determining eligibility for continued health benefits coverage.

Dispute

Whether the Respondent is responsible for providing the Complainants with continued health benefits coverage as laid-off Employees based on hours worked for Enoxy combined with hours worked for Island Creek.

Positions of the Parties

Position of the Complainants: The arbitration awards provided to the Funds Establish that Enoxy and Island Creek are a single Employer. The Respondent is therefore responsible for providing continued health benefits coverage to the Complainants based on hours worked for Enoxy combined with hours worked for Island Creek during the 24-month period prior to December 26, 1985.

Position of the Respondent: The arbitration awards establish that Enoxy and Island Creek are separate and distinct Employers. The Respondent is responsible for providing continuation of coverage based solely on hours worked for Enoxy. Inasmuch as the Complainants each worked over 500 hours but less than 2000 for Enoxy and were provided continued health benefits coverage through June 1986, it is not responsible for providing additional health benefits coverage to the Complainants.

Pertinent Provisions

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 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 <u>Last Worked</u>	Period of Coverage Continuation from the <u>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 III. D. (1) (a) of the Employer Benefit Plan provides continued health 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. The issue of an Employer's responsibility to provide continued health benefits coverage to its laid-off Employees based on hours worked by such Employees for a separate Employer has been previously addressed in Resolutions of Dispute 81-338 and 81-621 (enclosed herein). The Trustees concluded in those respective opinions that an Employer is not responsible for providing continued coverage for its laid-off Employees based on hours worked for a separate Employer.

The representative for the Complainants contends that the arbitration awards concerning the rights of Enoxy Employees and Island Creek Employees under Article XVII of the Wage Agreement indicate that Enoxy and Island Creek can be considered a single Employer for continuation of coverage purposes. However, the arbitration awards provided to the Funds indicate that Enoxy and Island Creek are separate and distinct Employers. As a result, the Respondent is responsible for providing the Complainants with continued coverage based solely on the hours worked for Enoxy.

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The Respondent is responsible for providing the Complainants with continued health benefits coverage based solely on their hours worked for Enoxy.