

OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employees
Respondent: Employer
ROD Case No: 84-405 - 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 health benefits coverage for laid-off Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants were employed in classified jobs by the Respondent through November 9, 1984, when they were laid off and the Respondent ceased operations. Hours reported to the Funds by the Respondent indicate that at least one of the Complainants worked over 2,000 hours for the Respondent in the 24-month period prior to his date last worked.

The representative for the Complainants has stated that the Respondent terminated their health benefits coverage as of December 1, 1984. The representative contends that the Respondent is responsible for providing health benefits coverage for the Complainants during their employment and during their eligibility for continued benefits coverage beyond December 1, 1984. Two of the Complainants have submitted notices of unpaid bills for medical services rendered during their active employment and subsequent layoff. Funds' records indicate that several of the Complainants accepted employment with another Employer in April 1985.

The Respondent was signatory to the National Bituminous Coal Wage Agreement of 1981, which expired on September 30, 1984. On October 2, 1984, the Respondent signed a Letter of Agreement signifying its intent to be bound by the terms of the National Bituminous Coal Wage Agreement of 1984, although to date it has not signed the actual Agreement. 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 the provision of health benefits coverage for the Complainants as Employees and laid-off Employees under the terms of the Employer Benefit Plan.

Positions of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage for the Complainants during their individual periods of eligibility as Employees and laid-off Employees under the terms of the Employer Benefit Plan.

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 Agreements of 1981 and 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 (Employer's name).
- (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) 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;

Article III D. (1) (a) and (f) of the Employer Benefit Plan provide in pertinent part:

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

*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.

(f) Other Employment

Notwithstanding the foregoing, in the event an Employee accepts employment during a period of continued coverage under paragraph (a), health, life and accidental death and dismemberment insurance coverage will terminate as of the date of such employment...

Discussion

The Respondent was signatory to the 1981 Wage Agreement. Although it has not executed the 1984 Wage Agreement, the Respondent signed a Letter of Agreement on October 2, 1984 in which it agreed to be bound by the terms and conditions of the "agreement successor to the 1981 National Agreement." The signatory status of an Employer who has signed such a Letter of Agreement was addressed by the Trustees in ROD 84-055 (enclosed herein). In their decision, the Trustees concluded that the Employer must be considered signatory to the 1984 Wage Agreement. Accordingly, the Respondent, by virtue of its executed Letter of Agreement, is considered signatory to the 1984 Wage Agreement.

Article XX Section (c)(3)(i) of the 1981 and 1984 Wage Agreements requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits to its Employees. The wage Agreements stipulate that benefits provided by the Employer pursuant to such Plans shall be guaranteed during the terms of the Agreements at levels set forth in such Plans.

Article II A. of the Employer Benefit Plan provides health benefits coverage for active Employees of a signatory Employer. Article III. D. (1) (a) of the Employer Benefit Plan provides continued benefits coverage for laid-off Employees for a defined period based upon the number of hours worked for the Employer during the 24-month period prior to the date last worked. Article III D. (I) (f) stipulates that such period of continued benefits coverage will terminate as of the date a laid-off Employee accepts other employment. Inasmuch as the Complainants worked in classified positions for the Respondent until November 9, 1984, when they were laid off, the Respondent is responsible for providing benefits coverage for the Complainants throughout their individual periods of eligibility as Employees and laid-off Employees under the terms of the Employer Benefit Plan, or until they accepted other employment.

Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage for the Complainants throughout their individual periods of eligibility as Employees and laid-off Employees under the terms of the Employer Benefit Plan, or until they accepted other employment.