
OPINION OF TRUSTEES

In Re

Complainant: Disabled Employee
Respondent: Employer
ROD Case No: 84-444 - October 3, 1989

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., Trustee; Thomas H. Saggau, 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 a disabled Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was employed in a classified position with the Respondent, Noble Coal Company, until October 27, 1986, when he sustained a job-related injury and was unable to return to work. Hours reported to the Funds by the Respondent indicate that the Complainant worked 655 hours for the Respondent during the 24-month period prior to October 27, 1986. The Complainant received Workers' Compensation benefits as a result of his injury. In December 1986, the Complainant was laid off by the Respondent. The Complainant states that the Respondent terminated his health benefits coverage on February 14, 1987. The Complainant received a release from his physician to return to work in June 1987. The Complainant accepted employment with another signatory employer in July 1987.

Information provided to the Funds indicates that on February 14, 1987, the owner and sole shareholder of the Respondent, Noble Coal Company, sold his interest in the company. The new owner continued to operate under the name Noble Coal until April 3, 1987, when the company ceased operations. On April 6, 1987, R & B Mining, Inc. became signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984 and began operations at Noble Coal's mine site. R & B Mining is owned by the owner of Noble Coal Company and it employed the miners who had worked for Noble Coal. The Complainant asks whether the Respondent or R & B Mining, Inc. is responsible for providing his health benefits coverage beyond February 14, 1987. The Complainant has submitted copies of unpaid medical bills incurred on March 4 and 5, 1987.

Dispute

Is the Respondent or R & B Mining, Inc. required to provide continued health benefits coverage for the Complainant beyond February 14, 1987?

Positions of the Parties

Position of the Complainant: The Complainant asks whether the Respondent or R & B Mining, Inc. is responsible for providing his health benefits coverage beyond February 14, 1987.

Position of the Respondent: The Respondent has not replied to repeated correspondence from Funds- staff requesting its position in this dispute.

Pertinent Provisions

Article XI, Section (c) of the National Bituminous Coal Wage Agreement of 1984 provides in pertinent part:

Section (c) Commencement and Duration of Benefits

Sickness and Accident Benefits shall begin with the first day of disability resulting from an accident, and with the eighth day of disability resulting from sickness, except that if the Employee is hospitalized because of a disabling sickness requiring surgical treatment or intensive care, benefits shall begin with the first full day of hospitalization.

Benefits for disability resulting from an accident, either on or off the job, shall be payable for a maximum of 52 weeks, regardless of the length of the Employee's classified employment with the Employer at the time of the accident.

Article XX Section (c)(3)(i) of the 1984 Wage Agreement provides in pertinent part:

(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 III D. (1)(a) and (b) of the Employer Benefit Plan provide:

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

(b) Disability

Except as otherwise provided in Article II, section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, life and accidental death and dismemberment insurance coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period as set forth in the schedule in (a) above.

Discussion

Article XX Section (c)(3)(i) of the 1984 Wage Agreement requires each signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Employees. The Wage Agreement stipulates that benefits provided by the Employer pursuant to such Plan shall be guaranteed during the term of the Agreement by that Employer at levels set forth in such Plan.

Article III D. (1)(b) of the Employer Benefit Plan provides that, if an Employee ceases work because of disability, the Employee will be eligible to continue health, life and accidental death and dismemberment insurance coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period based on the number of hours worked as set forth in Article III D. (1)(a). Under the terms of Article XI of the 1984 Wage Agreement, the Complainant whose disability resulted from an accident was entitled to Sickness and Accident Benefits for a maximum of 52 weeks beyond October 27, 1986. Under Article III. D. (1)(a), the Complainant was entitled to a period of coverage continuation for the balance of October 1986 plus 6 months, or through April 30, 1987. Inasmuch as Article III. D. (1)(b) provides continued benefits coverage for the greater of those two periods, the Complainant qualified for a maximum period of continued coverage extending through October 26, 1987, provided he remained disabled.

Information submitted in this case indicates that the Complainant received a release from his physician to return to work in June 1987. Inasmuch as the Complainant was no longer considered disabled, his eligibility for continued benefits coverage as a disabled Employee under Article III D.(1)(b) ceased at that time. The Complainant did not return to work for the Respondent in June 1987 because he had been laid off in December 1986 and the Respondent had ceased operations. However, the Complainant was not entitled to any further continuation of coverage as a laid-off employee since, as noted above, his period of eligibility determined pursuant to Article III. D. (I)(a) had expired on April 30, 1987. Accordingly, the Complainant's eligibility for health benefits coverage from the Respondent ceased in June 1987 when he was released to return to work.

As a signatory employer, Noble Coal Company is obligated to provide the Complainant with benefits coverage for the period of his eligibility. The sale of Noble Coal Company's stock on February 14, 1987 did not absolve the company of its collectively-bargained obligation to provide health benefits to its Employees. Because the Respondent, Noble Coal Company, is no longer operating and terminated coverage for the Complainant on February 14, 1987, the Complainant asks if R & B Mining, Inc. might be responsible for providing his health benefits coverage. R & B Mining and Noble Coal Company operated under the same management and ownership. In addition, both companies operated at the same mine site and employed the same employees. Inasmuch as Noble Coal Company and R & B Mining, Inc. constitute the same employer and both were signatories to the 1984 Wage Agreement, either company may be

Opinion of Trustees
Resolution of Dispute
Case No. 84-444
Page 5

responsible for providing continued benefits coverage for the Complainant for the period provided under the Employer Benefit Plan. Thus, the Complainant may look to R & B Mining, Inc. for the provision of benefits from the date Noble Coal Company terminated his coverage.

Opinion of the Trustees

R & B Mining, Inc. is responsible for providing continued health benefits coverage for the Complainant as a disabled employee beyond February 14, 1987, until he was released to return to work in June 1987, consistent with the terms of Article III. D. (1)(b) of the Employer Benefit Plan.