
OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employee
Respondent: Employer
ROD Case No: 84-451 - December 17, 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 for a laid-off Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was employed in a classified position by the Respondent, Lambert Coal & Coke Corporation, from February 20, 1984 until May 1987, when the Complainant was laid off and the Respondent ceased operations. The Complainant indicates that his health benefits coverage was terminated on May 31, 1987.

The Respondent states that from 1978 until early 1982 it operated as a contractor under a lease agreement with Island Creek Coal Company at its Wheelwright holdings. The Respondent has submitted information indicating that the Wheelwright holdings of Island Creek were sold to Inspiration Coal Company and the Respondent's lease agreement was assigned to Inspiration Coal, effective December 31, 1981. The Respondent contends that, under the terms of its contractual agreement with Inspiration Coal, liability for health benefits coverage was assigned to Inspiration Coal Company.

A representative for Inspiration Coal states that the Respondent has been a contract miner with Wheelwright Mining, Inc., a company owned by Inspiration Coal Company, for a number of years. The representative contends that there has never been an Employer/Employee relationship between Wheelwright and any of the Respondent's Employees. The representative states that Wheelwright has, on occasion, submitted payments to the Funds and certain insurance carriers on behalf of the Respondent, but he contends that this was done as a matter of administrative convenience. The representative states that Wheelwright Mining rejects any inference or allegation that it is responsible for providing health benefits coverage for the Complainant under the terms of its contract mining agreement with the Respondent.

The Complainant asks whether Lambert Coal & Coke Corporation or Inspiration Coal Company is responsible for providing continued health benefits coverage for him as a laid-off Employee.

Dispute

Whether Lambert Coal & Coke Corporation or Inspiration Coal Company is responsible for providing the Complainant's health benefits coverage as a laid-off Employee.

Positions of the Parties

Position of the Complainant: The Complainant asks whether Lambert Coal & Coke Corporation or Inspiration Coal Company is responsible for providing his health benefits coverage as a laid-off Employee.

Position of the Respondent: Under the terms of the contractual agreement with Inspiration Coal, the responsibility for the provision of health benefits coverage for the Complainant was assigned to Inspiration Coal.

A representative of Inspiration Coal has stated that the Complainant was never an Employee of Inspiration Coal and, therefore, it is not responsible for providing continued health benefits coverage for the Complainant.

Pertinent Provisions

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

(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) 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:

*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.

Number of Hours Worked for
the Employer in the 24
Consecutive Calendar Month
Period Immediately Prior to
the Employee's Date
Last Worked

Period of Coverage
Continuation from the
Date Last Worked

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 National Bituminous Coal Wage Agreement of 1984 requires a 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. Although the Respondent maintains that a contractual agreement between it and Inspiration Coal Company assigns liability for its Employees' health benefits coverage to Inspiration Coal Company, such contract does not relieve the Respondent of its obligation to provide coverage to its Employees under the Wage Agreement.

Article II A. of the Employer Benefit Plan provides health benefits coverage for Employees working in classified jobs for a signatory Employer. Article III D. (1)(a) provides that such coverage shall continue for each laid-off Employee for a period based on the number of hours worked by the Employee for the Employer during the 24-month period prior to the date last worked. Inasmuch as the Complainant was employed by the Respondent, Lambert Coal & Coke, until he was laid off in May 1987, the Respondent is responsible for providing continued health benefits coverage for the Complainant as required under Article III D.(1)(a) of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing continued health benefits coverage for the Complainant for his period of eligibility as a laid-off Employee, consistent with the Employer Benefit Plan.