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## OPINION OF TRUSTEES

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### In Re

Complainants: Laid-off Employees, Pensioners and Surviving Spouse  
Respondent: Employer  
ROD Case No: 84-506 - January 19, 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 health benefits coverage under the terms of the Employer Benefit Plan.

### Background Facts

The Complainants are laid-off Employees, the surviving spouse of a Pensioner, and Pensioners whose last signatory classified employment was for the Respondent. The Respondent is signatory to the 1984 Wage Agreement. One of the laid-off Complainants last worked for the Respondent on May 8, 1986; another laid-off Complainant last worked for the Respondent on July 14, 1986. The representative for the Complainants has stated that the remaining laid-off Complainants last worked for the Respondent on February 27, 1987. Two of the complainants last worked for the Respondent on February 27, 1987. Two of these Complainants indicated that they actually last worked for the Respondent in March 1987. Funds' records indicate that each of the laid-off Complainants worked over 2000 hours for the Respondent during the 24-month period prior to his date last worked. The representative for the complainants states that on May 1, 1987, the Complainants received notice from the Respondent that their health benefits coverage had been terminated, effective March 31, 1987.

The Complainants' representative contends that the Complainants are entitled to continued health benefits coverage beyond March 31, 1987. The representative asks that the Respondent be directed to pay all covered medical expenses incurred since March 31, 1987, and to provide continued health benefits coverage for the remainder of the Complainants' individual periods of eligibility.

### Dispute

Whether the Respondent is responsible for providing the Complainants with health benefits coverage beyond March 31, 1987, under the terms of the Employer Benefit Plan.

### Positions of the Parties

Position of the Complainants: The Respondent is responsible for providing health benefits coverage for the Complainants during their individual periods of eligibility beyond March 31, 1987.

Position of the Respondent: The Respondent has failed to respond to repeated correspondence from Funds' staff regarding its position in this dispute.

#### Pertinent Provisions

Article XX(c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 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), (4) and (5) 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.
- (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 B. (1) and E. (2) of the Employer Benefit Plan provide:

Article II - Eligibility

The persons eligible to receive the health benefits pursuant to Article III are as follows:

B. Pensioners

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

- (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 1(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.

E. Surviving Spouse

Health benefits under Article III shall be provided to (i) any unmarried surviving spouse (who was living with or being supported by the Employee or Pensioner immediately prior to the Employee's or Pensioner's death) and (ii) such spouse's unmarried surviving dependent children as defined in subparagraphs (2) and (5) of paragraph D, of an Employee or Pensioner who died:

- (2) Under conditions which qualify such spouse for a Surviving Spouse benefit under the 1974 Pension Plan or any successor thereto.

Article III D. (I)(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:

<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

Discussion

Article XX(c)(3)(i) of the 1984 National Bituminous Coal Wage Agreement requires a signatory Employer to establish and maintain 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 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. The Respondent is signatory to the 1984 Wage Agreement.

Article II B. of the Employer Benefit Plan establishes that an individual who is eligible for pension benefits under the UMWA 1974 Pension Plan is eligible for health benefits coverage under the Employer Benefit Plan. Article II E. of the Plan requires a signatory Employer to provide health benefits coverage to the unmarried surviving spouse of a Pensioner, who receives a Surviving Spouse benefit under the 1974 Pension Plan. Article III D. (1)(a) of the Plan provides continued benefits coverage for a laid-off Employee for a defined period based on the number of hours worked for the Employer during the 24-month period immediately prior to the date last worked.

For those Complainants who are Pensioners under the 1974 Pension Plan, the Respondent is responsible for providing their health benefits coverage beyond March 31, 1987, consistent with the terms of Article II.B. of the Employer Benefit Plan. For the Complainant who is a surviving spouse receiving a Surviving Spouse benefit under the 1974 Pension Plan, the Respondent is responsible for providing her health benefits coverage beyond March 31, 1987, consistent with the terms of Article II. E. of the Employer Benefit Plan. Inasmuch as the remaining Complainants were employed in classified positions by the Respondent until their respective

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dates of layoff, the Respondent is responsible for providing health benefits coverage through their individual periods of coverage continuation as required under Article III. D. (1)(a).

Opinion of the Trustees

The Respondent is responsible for providing continued health and other non-pension benefits coverage for the Complainants during their individual periods of eligibility beyond March 31, 1987, as determined under the terms of the Employer Benefit Plan.