

OPINION OF TRUSTEES

In Re

Complainants: Laid-off Employees
Respondent: Employer
ROD Case No: 84-511 - 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

One of the Complainants was employed in a classified position by the Respondent until he was laid off on September 19, 1986. The remaining Complainants were employed in classified positions by the Respondent until they were laid off on March 31, 1987, when the Respondent ceased operations. Funds' records indicate that each of the 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 he received notice by letter dated May 1, 1987 that the Respondent had terminated health benefits coverage for the Complainants, effective March 31, 1987.

The Complainants' representative contends that the Complainants are entitled to continued health benefits coverage beyond March 31, 1987. The representative for the Complainants 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) 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) 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.

Article III D. (1)(a) of the Employer Benefit 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. Inasmuch as the Complainants were employed in classified positions by the Respondent until they were laid off, the Respondent is responsible for providing health and other non-pension benefits coverage during their individual periods of eligibility as required under Article III D. (1)(a) of the Plan.

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.

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