
OPINION OF TRUSTEES

In Re

Complainants: Employees and Pensioners
Respondent: Employer
ROD Case No: 84-579 - April 20, 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 Employees of the Respondent and Pensioners whose last signatory classified employment in the coal industry was with the Respondent. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984.

The representative for the Complainants states that in December 1987, the Complainants were informed by the Respondent's insurance carrier that their health claims, which had been submitted over the past 12 months, would not be paid as the Respondent had not paid its insurance premiums since November 1986. The Complainants have submitted copies of unpaid medical bills incurred between March 1987 and November 1987. The representative for the Complainants contends that the Respondent is responsible for providing health benefits coverage for the Complainants as required under the terms of the 1984 Wage Agreement.

Dispute

Whether the Respondent is responsible for providing health benefits coverage for the Complainants as Employees and Pensioners.

Positions of the Parties

Position of Complainants: The Respondent is responsible for providing health benefits coverage for the Complainants as required under the terms of the 1984 Wage Agreement.

Position of Respondent: The Respondent has not responded to repeated correspondence from Fund's 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:

(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), (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 a 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. A. (4) of the Employer Benefit Plan provide:

Article II - Eligibility

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

A. Active Employees

- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

Article II. B. (1) of the Employer Benefit Plan provides:

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 I 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.

Discussion

Article XX(c)(3)(i) of the 1984 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 II A. of the Employer Benefit Plan provides health benefits coverage for an active Employee working in a classified job for a signatory Employer. Article II B. 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. Inasmuch as the Complainants are Employees and Pensioners whose last signatory classified employment was with the Respondent, the Respondent is responsible for providing their health benefits coverage during

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their active employment and during their eligibility for pension benefits, respectively, consistent with the terms of the Wage Agreement and the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for payment of the covered medical expenses incurred by the Complainants as Employees and Pensioners during their respective periods of eligibility, consistent with the terms of the Wage Agreement and the Employer Benefit Plan.