
OPINION OF TRUSTEES

In Re

Complainants: Laid-off Employees
Respondent: Employer
ROD Case No: 84-722 - November 14, 1990

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 laid-off Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants worked for the Respondent in classified positions until February 27, 1987, when they were laid off.

One of the Complainants has stated that the Respondent terminated health benefits coverage for its Employees in October 1986. The representative for the Complainants contends that the Respondent is responsible for payment of the covered medical charges incurred by the Complainants and their eligible dependents during their employment and during their periods of eligibility for continued coverage as laid-off Employees.

The Respondent was signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984.

Dispute

Whether the Respondent is responsible for payment of the Complainants' unpaid medical bills and for the provision of health benefits coverage for the Complainants as laid-off Employees under the terms of the Employer Benefit Plan?

Positions of the Parties

Position of the Complainants: The Respondent is responsible for payment of the covered medical charges incurred by the Complainants during their employment and during their periods of eligibility for continued coverage as laid-off Employees under the terms of the Employer Benefit Plan.

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

Pertinent Provisions

Article XX Section (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 (I), (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. (4) 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

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

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 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 II A. (4) of the Employer Benefit Plan provides health benefits coverage for active Employees working in classified jobs for a signatory Employer. Article III D. (I)(a) of the Plan provides continued benefits coverage for laid-off Employees based upon 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 actively employed in classified positions by the Respondent until February 27, 1987, when they were laid off, the Respondent is responsible for providing health benefits coverage to the Complainants and their eligible dependents during their employment and for the continuation of the Complainants' health benefits coverage beyond February 27, 1987, pursuant to Article III D. (I)(a) of the Employer Benefit Plan. Accordingly, the Respondent is responsible for payment of the covered medical expenses incurred by the Complainants and their eligible dependents during their employment and during their individual

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periods of eligibility for coverage as laid-off Employees, as determined under the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for payment of the covered medical expenses incurred by the Complainants and their eligible dependents during their employment and during their individual periods of eligibility for continued coverage as laid-off Employees, consistent with the terms of the Employer Benefit Plan.