

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-017 - August 10, 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 for laid-off Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants were employed in classified jobs by the Respondent until April 8, 1988, when they were laid off. Hours reported to the Funds by the Respondent indicate that at least one of the Complainants worked over 2,000 hours for the Respondent in the 24-month period prior to his date last worked.

The representative for the Complainants states that the Respondent informed the Complainants that their health benefits coverage was terminated on June 1, 1988 because the Respondent is unable to pay the insurance premiums. The representative asks whether the Respondent is responsible for providing continued health benefits coverage for the Complainants as laid-off Employees beyond June 1, 1988.

The Respondent was signatory to the National Bituminous Coal Wage Agreement of 1984, which expired on January 31, 1988. On January 5, 1988, the Respondent signed an Interim Agreement signifying its intent to be bound by the terms of the agreement "successor to the 1984 National Agreement."

Dispute

Whether the Respondent is responsible for providing continued health benefits coverage for the Complainants as laid-off Employees beyond June 1, 1988 under the terms of the Employer Benefit Plan.

Positions of the Parties

Position of the Complainants: The Complainants ask whether the Respondent is responsible for providing their continued health benefits coverage as laid-off Employees beyond June 1, 1988.

Position of the Respondent: The Respondent has not replied 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 Agreements of 1984 and 1988 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 1988, 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

The Respondent was signatory to the 1984 Wage Agreement. Although it has not executed the 1988 Wage Agreement, the Respondent signed an Interim Agreement on January 5, 1988, in which it agreed to be bound by the terms and conditions of the "agreement successor to the 1984 National Agreement." The signatory status of an Employer who has signed such an agreement was addressed by the Trustees in ROD 84-055 (enclosed herein). In their decision, the Trustees concluded that the Employer must be considered signatory to the successor Wage Agreement. Accordingly, the Respondent, by virtue of its executed Interim Agreement, is considered signatory to the 1988 Wage Agreement.

Article XX Section (c)(3)(i) of the 1984 and 1988 Wage Agreements requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits to its Employees. The Wage Agreements stipulate that benefits provided by the Employer pursuant to such Plans shall be guaranteed during the terms of the Agreements by that Employer at levels set forth in such Plans.

Article III. D. (1) (a) of the Employer Benefit Plan provides continued benefits coverage for a laid-off Employee for a defined period 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 worked in classified positions for the Respondent until April 8, 1988, when they were laid off, the Respondent is responsible for providing continued health benefits coverage for the Complainants throughout their individual periods of eligibility as laid-off Employees, as determined under the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing continued health benefits coverage for the Complainants throughout their individual periods of eligibility as laid-off Employees, as determined under the terms of the Employer Benefit Plan.