

OPINION OF TRUSTEES

In Re

Complainants: Employees
Respondent: Employer
ROD Case No: 88-183 - February 23, 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 Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants are employed in classified positions by the Respondent, a signatory employer. The representative for the Complainants states that beginning June 22, 1989 there was a work stoppage at the Respondent's operations where the Complainants are employed.

According to the Respondent, the Complainants were notified on June 23, 1989 that their health benefits coverage would be terminated unless they returned to work on their next scheduled shift. The Complainants did not return to work, and the Respondent notified the Complainants by letter dated June 28, 1989 that their employer-provided health benefits coverage was terminated effective June 22, 1989. This letter also notified the Complainants that they could choose to continue such coverage at their expense for a period of up to 18 months. Health benefits coverage was reinstated when the Complainants returned to work on or about July 17, 1989.

The Complainants have submitted copies of unpaid bills for medical expenses incurred by them and their dependents during the period from June 22, 1989 through July 16, 1989. The Complainants contend that the company should pay these medical expenses because Article XX of the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988 does not provide for the cancellation of health benefits coverage during an unauthorized work stoppage.

Dispute

Whether the Respondent is required to provide health benefits coverage for the Complainants during a work stoppage.

Positions of the Parties

Position of the Complainants: The 1988 Wage Agreement does not provide for the cancellation of health benefits coverage during a work stoppage; therefore, the Respondent is required to pay the medical expenses incurred by the Complainants and their eligible dependents during the period from June 22, 1989 to July 17, 1989.

Position of the Respondent: The Respondent is not required to provide health benefits coverage for the Complainants during the work stoppage because the Complainants were not considered "actively at work" or "actively employed" during the work stoppage. The Respondent also contends that neither the 1988 Wage Agreement nor the Employer Benefit Plan requires an Employer to provide benefits coverage during a work stoppage.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 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.... The plans established pursuant to this subsection are incorporated by reference and made a part of this Agreement, and the terms and conditions under which the health and other non-pension benefits will be provided under such plans are as to be 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 II A. 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

Benefits under Article III shall be provided to any Employee who:

- (1) is actively at work* for the Employer on the effective date of the Wage Agreement; or
- (2) is on layoff or disabled from the Employer and had continuing eligibility as of the effective date of the Wage Agreement for coverage under the 1984 Employer's Benefit Plan ("prior Plan") as a laid-off or disabled employee. Coverage for such laid-off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for such coverage under the provisions of the prior Plan.
- (3) Except as provided in paragraph (2) above, any Employee of the Employer who is not actively at work* for the Employer on the effective date of the Wage Agreement will not be eligible for coverage under the Plan until he returns to active employment with the Employer.

Any Employee of the Employer who as of January 31, 1988, was eligible for benefits under the prior Plan who is not scheduled to work within two weeks after the effective date of the Wage Agreement because of lack of work, such an Employee will, for purposes of this Plan, be considered eligible for coverage under this Plan as of the effective date of the Wage Agreement but as an Employee on layoff as of such date.

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

* Actively at work includes an Employee of the Employer who was actively at work on January 31, 1988, and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement.

Article III D. (1)(c) and (e) of the Employer Benefit Plan provide, in pertinent part:

Article III - Benefits

D. General Provisions

(1) Continuation of Coverage

(c) Leave of Absence

1. During any period for which an employee is granted an approved leave of absence for the purpose of accepting temporary employment with the United Mine Workers of America (UMWA) such Employee shall be eligible to continue health, life and accidental death and dismemberment insurance coverage for a period not to exceed 120 calendar days within any 12-month period.

2. During any period for which an Employee is granted an approved leave of absence for any other reason, such Employee's eligibility for health, life and accidental death and dismemberment insurance coverage shall be terminated as of the day last worked and shall not be reinstated until the Employee returns to active work except as provided in paragraph 3 below.

(e) Quit or Discharge

If an Employee quits (for any reason) or is discharged, health, life and accidental death and dismemberment insurance coverage will terminate as of the date last worked...

Discussion

The Respondent contends that it is not required to provide health benefits coverage for the Complainants during the work stoppage from June 22, 1989 through July 16, 1989. The Trustees have addressed the issue of an Employer's obligation under the Employer Benefit Plan to provide coverage for Employees during a work stoppage in ROD 88-181 (copy enclosed herein.) In their decision in ROD 88-181, which, absent any finding to the contrary, assumed that the Wage Agreement was in full force and effect, the Trustees concluded that under the Employer Benefit Plan, the Employer was responsible for providing health benefits coverage for its Employees during the work stoppage. The Respondent has made the additional argument that the

negotiators of the Wage Agreement did not intend that strikers would ever be entitled to health benefits coverage because they provided for termination of such coverage during strikes occurring at the expiration of a Wage Agreement and for resumption of such coverage when strikers return to work after such strikes. The provisions regarding coverage during strikes occurring at the expiration of a Wage Agreement do not apply to a work stoppage occurring when the Wage Agreement is assumed to be in effect. Accordingly, the Respondent is responsible for providing health benefits coverage for the Complainants during the work stoppage from June 22, 1989 through July 16, 1989.

Opinion of the Trustees

Based upon the provisions of and consistent with the terms of the Employer Benefit Plan, the Respondent is responsible for providing health benefits coverage to the Complainants and their eligible dependents during the work stoppage from June 22, 1989 through July 16, 1989.