

OPINION OF TRUSTEES

In Re

Complainant: Disabled Employee
Respondent: Employer
ROD Case No: 88-299 - March 12, 1991

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 a disabled Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was injured while performing classified work for the Respondent on December 28, 1989. As a result of this injury, the Complainant ceased working on January 16, 1990 and was awarded Workers' Compensation benefits effective January 17, 1990. He has continued to receive such benefits at least through November 19, 1990. The Complainant was included in a layoff of all the Respondent's Employees in February 1990. Information provided to the Funds indicates that the Complainant worked more than 500 but less than 2,000 hours for the Respondent during the 24-month period prior to January 16, 1990. Health benefits coverage for the Complainant was terminated on April 1, 1990.

The Complainant contends that the Respondent is required to provide health benefits coverage beyond April 1, 1990 for the remainder of his period of eligibility under the terms of the Employer Benefit Plan. The Respondent states that it is no longer in business and it is financially unable to provide health benefits coverage for the Complainant. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988.

The Complainant initially submitted a copy of an unpaid hospital bill incurred prior to April 1, 1990; however, that bill was later paid in full by the Respondent's insurance carrier and is no longer in dispute.

Dispute

Whether the Respondent is responsible for providing health benefits coverage for the Complainant beyond April 1, 1990.

Positions of the Parties

Position of the Complainant: The Respondent is responsible for providing health benefits coverage for the Complainant beyond April 1, 1990 pursuant to the terms of the Employer Benefit Plan.

Position of the Respondent: The Respondent is financially unable to provide any additional health benefits coverage for the Complainant.

Pertinent Provisions

Article XI Sections (b) and (c) of the National Bituminous Coal Wage Agreement of 1988 provide in pertinent part:

Section (b) Eligibility

Any Employee with six (6) months or more of classified employment with the Employer who becomes disabled as a result of sickness or accident, so as to be prevented from performing his regular classified job, and whose disability is certified by a physician legally licensed to practice medicine, shall be eligible to receive Sickness and Accident Benefits under this Plan. An Employee whose disability is the result of a mine accident suffered while he has been a classified Employee of the Employer shall be eligible to receive Sickness and Accident Benefits effective with his first day of classified employment. Benefits will not be payable for any period during which the Employee is not under the care of a licensed physician....

Section (c) Commencement and Duration of Benefits

Benefits for disability resulting from an accident, either on or off the job, shall be payable for a maximum of 52 weeks, regardless of the length of the Employee's classified employment with the Employer at the time of the accident.

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....

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) and (b) of the Employer Benefit Plan provide:

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:

Number of Hours Worked for
the Employer in the 24
Consecutive Calendar Month
Period Immediately Prior to
the Employee's Date
Last Worked

Period of Coverage
Continuation from the
Date Last Worked

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

(b) Disability

Except as otherwise provided in Article II, section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, life and accidental death and dismemberment coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period as set forth in the schedule in (a) above.

Discussion

Article XX Section (c)(3)(i) of the 1988 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 III D. (1)(b) of the Employer Benefit Plan provides continued benefits coverage for an Employee who ceases work because of disability for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period based on the number of hours worked as set forth in Article III D. (1) (a). Under Article XI of the 1988 Wage Agreement, the Complainant, who ceased work because of disability resulting from an accident, is eligible for Sickness and Accident Benefits for a maximum of 52 weeks beyond January 16, 1990. Under Article III D. (1) (a) of the Employer Benefit Plan, the Complainant is entitled to continued benefits coverage for the balance of January 1990 plus 6 months, or through July 31, 1990. Inasmuch as Article III D. (1)(b) provides continued benefits coverage for the greater of these two periods, the Complainant qualifies for benefits coverage through July 31, 1990, and any period thereafter during which he remains disabled, up to January 16, 1991. The Respondent's claim that it is financially unable to provide health benefits coverage does not relieve it of its obligation to provide such coverage under the terms of the Wage Agreement and the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing continued benefits coverage for the Complainant and his eligible dependents through July 31, 1990, and any period thereafter during which he remains disabled, up to January 16, 1991, consistent with the terms of the Wage Agreement and the Employer Benefit Plan.