

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 88-360 - February 26, 1992

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 an active Employee under the Employer Benefit Plan.

Background Facts

The Complainant was employed by the Respondent on July 23, 1990. The Respondent signed the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988 on September 13, 1990. The Complainant states that the Respondent failed to provide health benefits coverage and he claims that the Respondent owed him over \$9,000 for unpaid wages and medical bills when he quit his job on December 6, 1990. On December 6, 1990, the Respondent issued a check to the Complainant for \$4,000. Also on December 6, 1990 the Complainant terminated his employment with the Respondent and signed a statement which provides:

I, (Complainant), Social Security Number [number] elect to terminate my employment with (Respondent) effective (February 6, 1990) with full understanding that I waive all my contractual benefits under the National Bituminous Coal Wage Agreement of 1988.

The Respondent states that in signing the statement and accepting the \$4,000, the Complainant has released the Respondent of his obligation to provide health benefits coverage. The Complainant maintains that the Respondent is responsible for payment of the medical expenses incurred during his employment with the Respondent.

Dispute

Whether the Respondent is responsible for payment of the medical expenses incurred by the Complainant and his eligible dependents during his employment with the Respondent.

Positions of the Parties

Position of the Complainant: The Respondent is responsible for payment of the medical expenses incurred by the Complainant and his eligible dependents during his employment with the Respondent.

Position of the Respondent: The Complainant terminated his employment with the Respondent on December 6, 1990 and at that time all wages and benefits due were resolved.

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.

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. (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. (1)(e) of the Employer Benefit Plan provides in pertinent part:

D. General Provisions

(1) Continuation of Coverage

(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

Article XX Section (c)(3)(i) of the 1988 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. 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 active Employees working in classified jobs for a signatory Employer. Article III D. (1)(e) states that, if an Employee quits for any reason, health, life and accidental death and dismemberment coverage will terminate as of the date last worked.

The Complainant has maintained that the Respondent is responsible for payment of the medical expenses incurred by the Complainant and his eligible dependents during his employment by the Respondent. The Respondent asserts that the waiver signed by the Complainant acts as a release of the Respondent's obligations to provide the Complainant with health benefits coverage.

In his statement, the Complainant agreed to "waive all my contractual benefits under the [Wage Agreement]." Thus, on its face, the Complainant's statement releases the Respondent from its obligation under Article XX Section (c)(3)(i) of the Wage Agreement to provide health benefits.

Opinion of the Trustees

The Respondent is not required to pay the Plan-covered medical expenses incurred by the Complainant and his eligible dependents during the period that the Respondent was signatory to the Wage Agreement.