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## OPINION OF TRUSTEES

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### In Re

Complainants: Laid-off Employees  
Respondent: Employer  
ROD Case No. 88-383 - June 26, 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 laid-off Employees under the terms of the Employer Benefit Plan.

### Background Facts

The Complainants were employed in classified positions for the Respondent, a signatory Employer. One of the Complainants last worked for the Respondent on December 31, 1990. The others last worked on January 2, 1991, at which time the Complainants were laid off.

The representative for the Complainants states that the Respondent notified the Complainants that it could not afford to pay their insurance premiums for December 1990 and, if the Complainants wanted to maintain their health benefits, one-half of the premium payment would be deducted from their paycheck. The complainants' representative has submitted copies of pay stubs which show that an amount of \$150.00 was deducted for insurance from the Complainants' December 22, 1990 paychecks. In January 1991, the Respondent notified the Complainants by letter that if they wanted to continue their insurance coverage for January, they were to pay the premium no later than January 25, 1991. They were also notified that failure to do so would result in the cancellation of the Complainants' insurance coverage effective January 1, 1991.

The representative for the complainants contends that the Respondent is required to provide continued benefits coverage for the complainants during their individual periods of eligibility as determined under the terms of the Employer Benefit Plan. The representative also contends that the Respondent is required to reimburse the complainants for insurance premiums paid by the Complainants during periods of eligibility for coverage under the Employer Benefit Plan. The Respondent states that it is financially unable to provide insurance coverage for the Complainants.

### Dispute

Whether the Respondent is required to provide health benefits coverage for the Complainants and reimbursement for Insurance premiums paid by the Complainants.

### Positions of the Parties

Position of the Complainants: The Respondent is required to provide continued benefits coverage for the Complainants as laid-off Employees under the terms of the Employer Benefit Plan and to provide reimbursement for Insurance premiums paid by the Complainants to maintain coverage during their periods of eligibility for coverage under the Employer Benefit Plan.

Position of the Respondent: The Respondent is financially unable to provide insurance coverage for the Complainants.

### 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 Employee' 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)(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:

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

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. The Respondent's claim that it is financially unable to provide insurance coverage does not relieve it of its obligation to provide health and other non-pension benefits coverage under the terms of the Wage Agreement.

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.(13(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 they were laid off in January 1991, the Respondent is required to provide health and other non-pension benefits coverage to the Complainants during their employment and during their individual periods of eligibility for coverage as laid-off Employees, as determined pursuant to Article III D.(13(a) of the Employer Benefit Plan.

The Complainants have asked that the Respondent be required to reimburse them for insurance premiums paid to the Respondent during their periods of eligibility for coverage under the Employer Benefit Plan. The Trustees have held that an Employer who is obligated to provide coverage is not responsible for reimbursement of the cost for insurance premiums when the insurance was purchased by an Employee from a third party insurer. See RODs 81-17, 81-640 and 84-437. However, where the Employee has paid the Employer for the cost of insurance premiums to maintain coverage under the Employer Benefit Plan during a period when the Employer is obligated to provide coverage, the Employer is required to reimburse the Employee for the cost of the insurance premiums. See ROD 88-195 (copy enclosed herein). Consistent with the Trustees' finding in ROD 88-195, the Complainants in this case are entitled to reimbursement of the insurance premiums that were deducted from their paychecks by the Respondent.

#### Opinion of the Trustees

The Respondent is required to provide health benefits coverage for the Complainants and their eligible dependents during the Complainants' employment and during their individual periods of eligibility for continued coverage as laid-off Employees. The Respondent is also required to provide reimbursement for premiums paid by the Complainants to maintain their coverage during such periods.