

OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employees
Respondent: Employer
ROD Case No: 88-386 - November 19, 1992

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; Elliot A. Segal, 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 continued 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 until January 11, 1991, when they were laid off and the company ceased operations. The representative for the Complainants states that the Respondent has failed to provide health benefits coverage to the Complainants as laid-off Employees. Information provided to the Funds indicates that the Respondent terminated health benefits coverage for the Complainants on February 1, 1991. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988.

Dispute

Is the Respondent responsible for the providing health benefits coverage for the Complainants as laid-off Employees beyond January 31, 1991 under the terms of the Employer Benefit Plan?

Positions of the Parties

Position of the Complainants: The Respondent is responsible for providing additional health benefits coverage for the Complainants as laid-off Employees pursuant to Article II of the Employer Benefit Plan.

Position of the Respondent: The Respondent states that it does not know of any contract to which it is a party that would require it to provide health benefits coverage following a layoff. The Respondent further states that in any case, it is financially unable to provide such coverage.

Pertinent Provisions

Article XX(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 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:

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 <u>the Employee's Date Last Worked</u>	Period of Coverage Continuation from <u>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

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 III D. (1)(a) of the Employer Benefit Plan provides continued benefits coverage for laid-off Employees 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 were actively employed in classified positions by the Respondent until they were laid off on January 11, 1991, the Respondent is responsible for providing health benefits coverage as determined under Article III. D. (1)(a) of the Employer Benefit Plan. 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.

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The Respondent is responsible for providing health benefits coverage for the Complainants and their eligible dependents during their individual periods of eligibility beyond January 31, 1991, as determined under the terms of the Employer Benefit Plan.