
OPINION OF TRUSTEES

In Re

Complainants: Laid-off Employees
Respondent: Employer
ROD Case No: 88-434 - September 25, 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 last worked for the Respondent in classified positions on April 18, 1991. They were laid off on April 19, 1991, when the Respondent ceased operations. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988. According to one of the Complainants, the Respondent terminated health benefits coverage for its laid-off Employees on April 30, 1991.

Dispute

Whether the Respondent is required to provide health benefits coverage for the Complainants as laid-off Employees beyond April 30, 1991.

Positions of the Parties

Position of the Complainants: The representative for the Complainants asks whether the Respondent is responsible for the Complainants' medical expenses that are incurred during the 12-month period following their layoff.

Position of the Respondent: The Respondent has not replied to repeated correspondence from Funds' staff requesting its position in this dispute.

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 III D. (1) (a) of the Employer Benefit Plan provides in pertinent part:

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

Period of Coverage

<u>the Employee's Date Last Worked</u>	<u>Continuation from 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 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 April 19, 1991, when they were laid off, the Respondent is responsible for providing continued health benefits coverage for the Complainants beyond April 30, 1991, the date coverage was terminated, for the remainder of their individual periods of eligibility, as determined pursuant to Article III D. (1) (a) of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is required to provide health benefits coverage for the Complainants and their eligible dependents beyond April 30, 1991, for the remainder of their individual periods of eligibility for continued coverage as laid-off Employees, consistent with the terms of the Employer Benefit Plan.