

OPINION OF TRUSTEES

In Re

Complainants: Laid-off Employees
Respondent: Employer
ROD Case No: 88-473 - December 11, 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 are classified Employees who were laid off by the Respondent. Some of the Complainants last worked for the Respondent on January 29, 1991 and the others last worked for the Respondent on February 8, 1991. The Respondent ceased operations on February 11, 1991 due to financial insolvency and terminated the Complainants' health benefits coverage on October 15, 1991. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988.

The representative for the Complainants contends that the Respondent is required to provide continued benefits coverage for the Complainants beyond October 15, 1991. The Respondent states that it is financially unable to continue to provide insurance coverage for the Complainants.

Dispute

Whether the Respondent is required to provide health benefits coverage for the Complainants beyond October 15, 1991.

Positions of the Parties

Position of the Complainants: The Respondent is required to provide continued benefits coverage for the Complainants as laid-off Employees beyond' October 15, 1991.

Position of the Respondent: The Respondent is financially unable to continue 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 Employees covered by this Agreement as well as pensioners, under the 1974 Pension Plan and Trusts, 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:

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:

<u>Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Worked</u>	<u>Period of Coverage 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 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 III D. (1) (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 and February 1991, the Respondent is required to provide continued health and other non-pension benefits coverage to the Complainants during their individual periods of eligibility beyond October 15, 1991, as determined pursuant to Article III D. (1) (a) of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is required to provide continued benefits coverage for the Complainants and their eligible dependents during their individual periods of eligibility beyond October 15, 1991, as determined under the terms of the Employer Benefit Plan.

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