

---

## OPINION OF TRUSTEES

---

### In Re

Complainant: Laid-off Employees and Pensioners  
Respondent: Employer  
ROD Case No: 88-676 - February 8, 1995

Trustees: Thomas F. Connors, Michael H. Holland, Marty D. Hudson and  
Robert T. Wallace.

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of health benefits coverage under the terms of the Employer Benefit Plan.

### Background Facts

The Complainants are Employees who were laid off by the Respondent on August 25, 1992, and Pensioners whose last signatory Employer in the coal industry was with the Respondent. The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988.

The representative for the Complainants states that the Respondent provided health benefits coverage under a plan implemented through Connecticut General Life Insurance Company until June 30, 1992. The representative states that the Complainants received notices in February 1993, and in March 1993, indicating that health benefits coverage was being provided through The Travelers Insurance Companies. Information provided to the Funds indicates that health benefits coverage was not provided beyond June 30, 1992. The representative contends that the Respondent is responsible for providing health benefits coverage for the Complainants as required under the terms of the 1988 Wage Agreement and the Employer Benefit Plan. Effective February 1, 1993, health benefits coverage for the Pensioners has been provided under the UMWA 1992 Benefit Plan.

### Dispute

Is the Respondent required to provide health benefits coverage for the Complainants as laid-off Employees and Pensioners?

### Positions of the Parties

Position of the Complainants: The Respondent is required to provide health benefits coverage as required under the terms of the 1988 Wage Agreement and the Employer Benefit Plan.

Position of the Respondent: The Respondent has not responded 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), (4) and (5) 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.
- (5) "Pensioner" shall mean any person who is receiving a pension, other than (i) a deferred vested pension based on less than 20 years of credited service, or (ii) a pension based in whole or in part on years of service credited under the terms of Article II of the 1974 Pension Plan, or any corresponding paragraph of any successor thereto, under the 1974 Pension Plan (or any successor thereto), whose last classified signatory employment was with the Employer, subject to the provisions of Article II B of this Plan.

Article II A. (4) and B. (1) 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.

B. Pensioners

Health benefits and life insurance under Article III hereof shall be provided to Pensioners as follows:

- (1) Any Pensioner who is not again employed in classified signatory employment subsequent to
- (a) such Pensioner's initial date of retirement under the 1974 Pension Plan, and
- (b) February 1, 1988, shall be eligible for coverage as a Pensioner under, and subject to all other provision of this Plan. Notwithstanding (i) and (ii) of the definition of Pensioner in Article I (5) of this Plan, any such Pensioner who was eligible for benefits under the 1974 Benefit Plan as a Pensioner on December 5, 1977, shall be eligible for such benefits, subject to all other provisions of this Plan.

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

Period of Coverage

the Employee's Date <u>Last Worked</u>	Continuation from he <u>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 to maintain an Employer Benefit Plan to provide health and other non-pension benefits for its Employees and Pensioners. 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. (4) of the Employer Benefit Plan provides health benefits coverage for active Employees working in classified jobs for a signatory Employer. 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, who were laid off, were actively employed in classified positions by the Respondent until August 25, 1992, 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.

Article II B. establishes that an individual who is eligible for pension benefits under the UMWA 1974 Pension Plan is eligible for health benefits under the Employer Benefit Plan. The Respondent is required to provide health benefits coverage for the Pensioners whose last signatory employment was with the Respondent, consistent with the terms of the Wage Agreement and the Employer Benefit Plan.

### Opinion of the Trustees

The Respondent is required to provide benefits for the covered medical expenses incurred by the Complainants as Employees, laid-off Employees and Pensioners during their respective periods of eligibility, consistent with the terms of the Wage Agreement and the Employer Benefit Plan.