
OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employees
Respondent: Employer
ROD Case No: 84-174 - September 30, 1986

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William B. Jordan, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., 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 level of health benefits coverage under the terms of the Employer Benefit Plan.

Background Facts

Respondent operated as a signatory employer between April 1985 and December 1985. There is some indication that the Respondent contracted with the Small Coal Operators Association (SCOA) for the provision of employee health benefits during at least part of this period of operation. The Respondent ceased operations on December 13, 1985 and laid off its Employees, including the Complainants. In a separate administrative proceeding, the Funds has determined that, as of December 14, 1985, the Respondent is no longer in business for purposes of Article II E. (4) of the UMWA 1974 Benefit Plan.

The Complainants' representative has submitted medical bills incurred by the Complainants between April and December 1985 while employed by the Respondent. Payment of these bills has been refused. The Complainants' representative contends that the Respondent is responsible for the Complainants' health benefits coverage between April 1985 and December 13, 1985.

Dispute

Whether the Respondent is responsible for the provision of health benefits for its Employees.

Positions of the Parties

Position of the Complainants: The Respondent is responsible for providing health benefits for the Complainants as Employees.

Position of the Respondent: The Respondent has not responded to repeated correspondence from the Funds regarding its position in this dispute.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides, in pertinent part:

Section (c) 1974 Plans and Trusts

(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 (coal company).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1984, 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

Benefits under Article III shall be provided to an Employee who:

- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

Discussion

Articles XX(c)(3)(i) of the 1984 National Bituminous Coal Wage Agreement and Article II A of the Employer Benefit Plan require a signatory Employer to provide health and other non-pension benefits to its active Employees. Article XX(c)(3)(i) of the Wage Agreement further requires that "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."

Although the Respondent appears to have contracted with the SCOA for the provision of health benefits coverage to its Employees, such contract does not relieve the Respondent of its primary obligation to provide health benefits to the its Employees under the Wage Agreement. Inasmuch as the Complainants satisfied the definition of active Employees as set forth in Article I(4) and Article II A.(4) of the Employer Benefit Plan, the Respondent is responsible for the provision of their health benefits pursuant to Article XX (c)(3)(i) of the 1984 Wage Agreement.

Opinion of the Trustees

The Respondent is responsible for the provision of health benefits coverage to the Complainants at the level set forth in the Employer Benefit Plan for that period prior to December 14, 1988 during which they were active employees or entitled to a period of continued coverage.