
OPINION OF TRUSTEES

In Re

Complainant: Employees
Respondent: Employer
ROD Case No: 84-195 - 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 provision of benefits coverage for Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants are classified employees of the Respondent, a signatory employer. The representative for the Complainants has stated that the Respondent provided health and other non-pension benefits coverage through an insurance carrier, New York Life, until March 31, 1986; no coverage was provided for the month of April 1986. The Respondent changed insurance carriers and coverage is now being provided through Provident, effective May 1, 1986. The Complainants ask that the Respondent be found liable for providing their benefits coverage during the month of April 1986.

The Respondent has stated that it is currently providing benefits coverage for the Complainants. The Respondent maintains that it cannot afford to pay the insurance premium for the Complainants' coverage through New York Life for the month of April.

Dispute

Whether the Respondent is responsible for providing benefits coverage for the Complainants during April 1986?

Positions of the Parties

Position of the Complainants: The Respondent is responsible for the provision of health and other non-pension benefits to the Complainants during April 1986.

Position of the Respondent: The Respondent cannot afford to pay the insurance premiums for the Complainants' coverage during April 1986.

Pertinent Provisions

Article XX(c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides:

(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. Such plans shall also include that each signatory Employer continue to make the death benefit payments in pay status as of December 8, 1977, for deceased Employees and Pensioners under the 1974 Pension Plan whose last signatory classified employment was with such Employer, in the same manner and in the same amounts as previously provided for in the 1974 Benefit Plan and Trust. 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 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. (1), (3) and (4) of the Employer Benefit Plan provide in pertinent part:

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 any Employee who:

- (1) is actively at work* for the Employer on the effective date of the Wage Agreement; or
- (3) . . . , any Employee of the Employer who is not actively at work for the Employer on the effective date of the Wage Agreement will not be eligible for coverage under the Plan until he returns to active employment with the Employer.
- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

*Actively at work includes an Employee of the Employer who was actively at work on September 30, 1984, and who returns to active work with the Employer two weeks after the effective date of the Wage Agreement.

Discussion

Article XX (c)(3)(i) of the 1984 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. Article II A. of the Employer Benefit Plan provides benefits coverage for active employees working in classified jobs for a signatory employer. Inasmuch as the Complainants were actively employed in classified positions for the Respondent during April 1986, the Respondent is responsible for providing their benefits coverage during the same period.

Although the Respondent has stated that it cannot afford to pay an insurance premium for the month of April 1986, such a claim does not relieve the Respondent of its obligation to provide health benefits to eligible parties under the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing benefits coverage to eligible beneficiaries during April 1986.