

OPINION OF TRUSTEES

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In Re

Complainants: Laid-off Employees  
Respondent: Employer  
ROD Case No: 84-279 - June 29, 1987

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 health benefits coverage for Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants began working in classified positions for the Respondent in April 1985. One of the Complainants has stated that some of the Complainants last worked for the Respondent in May 1986, when they were laid off, while others last worked in July 1986, when they were also laid off. He has also stated that the mine was closed on August 30, 1986.

The representative for the Complainants claims that the Respondent failed to maintain the health benefits coverage required pursuant to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984. The Complainants have submitted copies of unpaid bills for covered medical services incurred by them and their dependents between April 8, 1985 and July 23, 1986. The representative has stated that some time between January and April 1986 there was a work stoppage at the Respondent's operations, caused by picketing by pensioners who were involved in a dispute with United Pocahontas Coal Company. The representative contends that the Complainants were not involved in a strike, and that their health benefits coverage should not have been terminated during the work stoppage or any other period.

The Respondent became signatory to the 1984 Wage Agreement on April 2, 1985. The Respondent has indicated that some of the Complainants' medical bills may not have been paid because they were incurred during an illegal work stoppage between July 17, 1985 and March 1, 1986. The Respondent has also indicated that it would pay any other bills for which it is liable.

Funds' records indicate that the Respondent reported hours worked for the Complainants for each month of their employment except February 1986, when zero hours were reported for each of the Complainants. Information provided to the Funds indicates that the Respondent supplied health benefits coverage for the Complainants through New York Life from April 2, 1985 through June 7, 1985, through Provident from August 1, 1985 through January 31, 1986 and

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through Income Security from March 17, 1986 through July 31, 1986. Since September 1, 1986, the Respondent has provided coverage through CIGNA.

Dispute

Whether the Respondent is responsible for the provision of health benefits coverage under the terms of the Employer Benefit Plan for the Complainants and their eligible dependents throughout their individual periods of eligibility, including the period during which a work stoppage occurred.

Positions of the Parties

Position of the Complainants: No strike occurred during the Complainants' employment with the Respondent. Therefore, the Respondent is responsible for the provision of health benefits coverage for the Complainants and their eligible dependents during their individual periods of eligibility as Employees and laid-off Employees under the terms of the Employer Benefit Plan.

Position of the Respondent: The Respondent is not responsible for the Complainant's medical expenses incurred during an illegal work stoppage which occurred between July 17, 1985 and March 1, 1986.

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 (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) and (4) of the Employer Benefit Plan provide:

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

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\*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.

Article III D. (1) (a) and (e) of the Employer Benefit Plan provide:

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

(e) Quit or Discharge

If an Employee quits or is discharged, health, life and accidental death and dismemberment insurance coverage will terminate as of the date last worked.

Discussion

Article XX Section (c)(3)(i) of the 1984 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.

Article II A. of the Employer Benefit Plan provides health benefits coverage for a classified Employee from the first day of work for a signatory Employer. Article III D.(1)(a) provides continued benefits coverage for an Employee who ceases work because of layoff for a defined period based upon the number of hours worked for the Employer in the 24-month period prior to the date last worked. Although the Respondent contends that it has no obligation to provide health benefits coverage for the Complainants during an alleged illegal work stoppage, the only conditions under which an Employee's health benefits coverage can be terminated are set forth in Article III D. (1)(e) of the Plan. Article III D. (1)(e) provides that if an Employee quits or is discharged, health benefits coverage will cease as of the date last worked. In this case, the Complainants were not discharged and did not quit; hence, there is no Plan provision that mandates that their health benefits coverage be terminated. Inasmuch as the Complainants were classified Employees of the Respondent from April 1985 until they were laid off in May and July 1986, the Respondent is responsible for providing their health benefits coverage during their individual periods of eligibility as Employees and laid-off Employees under the terms of the Employer Benefit Plan.

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The Respondent is responsible for payment of the covered medical expenses incurred by the Complainants and their eligible dependents during their individual periods of eligibility as Employees and laid-off Employees under the terms of the Employer Benefit Plan.