

OPINION OF TRUSTEES

In Re

Complainant: Employee's Dependent
Respondent: Employer
ROD Case No: 110, September 29, 1980

Board of Trustees: Harrison Combs, Chairman; John J. O'Connell, Trustee; Paul R. Dean, Trustee.

Pursuant to Article IX of the United Mine Workers of America 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 payment of life insurance benefits to the daughter of the deceased Employee by the Employer under the terms of the Employer's Benefit Plan and hereby render their opinion on the matter.

Background Facts

The Employee worked for the Employer in a classified job from May 18, 1978 until August 3, 1978, at which time he became totally disabled. During the 24 calendar month period prior to his last work date the Employee had worked 570.5 hours for the Employer. The Employee did not qualify for Sickness and Accident benefits due to the short period of employment with the Employer.

The Employer, in accordance with Article III, Section E (1), provided continuation of benefit coverage for the balance of August 1978 plus six months. Accordingly, the Employee's coverage was extended until February 28, 1979 at which time it was terminated.

The Employee died on April 19, 1979 at age 52.

Question

Is the Employer responsible for a life insurance payment to the Employee's beneficiary?

Position of Parties

Claimant (Employee's dependent daughter): Employee had worked for four years in a classified job for another signatory coal company prior to May 1978. The Employer should consider these four years of previous employment when calculating hours worked for the purpose of determining benefit coverage continuation. When considering these additional hours, the Employee should be entitled to one year of benefit coverage.

The employee's beneficiary therefore would be eligible to receive life insurance since he would have been eligible for continued benefit coverage at the time of his death as a disabled employee. Employer: The Employee was provided with continued benefit coverage following the date last worked until February 28, 1979 in accordance with the Employer's Plan.

Pertinent Provisions

- Article III, Section E (1) (a) and (b) of the Employer's Benefit Plan provides as follows:

- (a) Layoff: If an Employee ceases work because of layoff, continuation of health, vision care, life and accidental death and dismemberment coverage is as follows:

Number of Hours Worked for the Employer In the 24 Calendar Month Period Prior to the Date of Last Worked	Period of Coverage Continuation from the <u>From the Date Last Worked</u>
2000 or more hours	Balance of month plus 12 months
500 or more but less than 2000 hours	Balance of month plus 6 months
Less than 500 hours	30 days

- (b) Disability: Except as otherwise provided in Article II, Section C, (where health benefits coverage is continued for a longer period than provided herein,) if an Employee ceases work because of disability, the Employee will be eligible to continue health, vision care, life and accidental death and dismemberment insurance coverage while disabled for the greater of (i) the period of eligibility for Sickness and Accident benefits, or (ii) the period as set forth in the schedule in (a) above.

Discussion

Under Article III (E) (1) (b) of the Employer's Benefit Plan, an employee who ceases work because of a disability is eligible for continued life insurance coverage for the greater of the period of eligibility for Sickness and Accident benefits, or the period set forth in Article III (E) (1) (a). The Employee was not eligible for Sickness and Accident benefits under Article XI (c) of the Wage Agreement because he had worked less than six months for the Employer. Therefore, his period of continued eligibility for life insurance must be determined pursuant to the schedule in Article III (E) (1) (a).

The Employer's Benefit Plan does not require the Employer to continue benefits for an Employee based on the number of hours worked for any previous employer. Accordingly, based on the 570 hours the Employee had worked for the Employer, the Employer, under Article IV (E) (1) (a), was only required to continue the Employee's coverage for the balance of the month last worked plus six months. This period of continued coverage terminated on February 28, 1979. Therefore, the Employee was not eligible for life insurance coverage when he died on April 19, 1979, and the Employee's beneficiary is not entitled to receive a life insurance payment.

Opinion of the Trustees

ROD Case No. 110

Page 3

Opinion of the Trustees

The Trustees are of the opinion that the Employer is not responsible for the payment of life insurance benefits to the daughter of the deceased Employee under the terms of the Employer's Benefit Plan.