

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 305, June 29, 1982

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 provision of health benefits for a laid-off Employee by the Employer under the terms of the Employer's Plan and hereby render their opinion on-the matter.

Background Facts

The Employee worked for the Employer from August 16, 1976, until March 1, 1981, when the mine closed and the Employee was laid off. The Employee has not returned to work. The Employer, however, is currently operating other mines.

During the 24-calendar month period prior to his last date worked, the Employee worked 3,423 hours for the Employer. The Employer provided benefits coverage for the Employee until April 1, 1981.

Dispute

Is the Employer responsible for providing additional health and other nonpension benefits coverage for the laid-off Employee? If so, for what period?

Position of Parties

Position of Employee: He feels that the Employer is responsible for providing benefits coverage for him and his dependents.

Position of Employer: The Employer has not responded to our correspondence.

Pertinent Provisions

Article II. A. (2) of the Employer's Plan, as amended in 1981, which provides:

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:

...
(2) is on layoff or disabled from the Employer and had continuing eligibility as of the effective date of the Wage Agreement, for coverage under the 1978 Employer's Benefit Plan ("prior Plan") as a laid-off or disabled employee. Coverage for such laid-off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for such coverage under the provisions of the prior Plan.

Article III. E. (1) (a) of the Employer's Plan, as adopted in 1978, which provides:

(1) Continuation of Coverage

(a) Layoff

If an Employee ceases work because of layoff, continuation of health, vision care, life and accidental death and dismemberment insurance coverage is as follows:

| Number of Hours Worked for the Employer in the 24 Calendar Month Period Prior to the Date Last Worked | Period of Coverage Continuation From the Date Last Worked |
|--|--|
| 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 |

Article III. E. (2) of the Employer's Plan, as adopted in 1978, which provides:

(2) Advanced Insurance Premiums

In the event of an economic strike at the expiration of the 1978 Bituminous Coal Wage Agreement, the Employer will advance the premiums for its health, vision care, and life and accidental death and dismemberment insurance coverage for the first 30 days

of such strike. Such advanced premiums shall be repaid to the Employer by such Employees through a check-off deduction upon their return to work. Should such a strike continue beyond 30 days, the Union or such Employees may elect to pay premiums themselves.

Discussion

Article III. E. (1) (a) of the Employer's Plan, as adopted in 1978, requires an Employer to provide continuation of coverage for the balance of the month plus twelve months from the date last worked for an Employee who worked more than 2,000 hours for the Employer during the 24-calendar months prior to his last date worked. Because the Employee worked 3,423 hours for the Employer during the 24 calendar month period prior to March 2, 1981, his last date worked, he was eligible for continuation of coverage under the 1978 Employer's Plan for the balance of March 1981, plus twelve months. When the economic strike commenced on March 27, 1981, however, the Employer was required by Article III. E. (2) of the Plan to advance the Employee's insurance premium for the first 30 days of the strike, but was not required to pay for the Employee's coverage during the strike period.

Under Article II. A. (2) of the Employer's Plan, as amended in 1981, benefits are provided to laid-off Employees who had continuing eligibility as of the effective date of the Wage Agreement for coverage under the 1978 Employer's Plan as laid-off Employees. Coverage under the 1981 Employer's Plan continues until the date when the Employee would no longer have been eligible for coverage under the prior Plan. The Employee had continuing eligibility as of the effective date of the Wage Agreement for coverage under the 1978 Employer's Plan as a laid-off Employee. Therefore, he is eligible for coverage under the 1981 Employer's Plan. Because he was eligible for coverage under the terms of the 1978 Employer's Plan until March 31, 1982, he is eligible under the 1981 Employer's Plan until that date.

Opinion of the Trustees

The Trustees are of the opinion that the Employer is responsible for the provision of health and other non-pension benefit coverage for the Employee and his dependents from June 7, 1981, through March 31, 1982. In addition, the Employer was responsible for advancing the Employee's insurance premium for the first 30 days of the economic strike which commenced on March 28, 1981.