
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 81-256, August 29, 1983

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

Background Facts

The Complainant had performed classified work for the Respondent for several years. On January 16, 1982 he was authorized a leave of absence to take a position with the United Mine Workers of America. He had worked more than 2,000 hours for the Respondent during the 24 consecutive calendar month period immediately prior to January 16, 1982.

The Complainant was laid off by the United Mine Workers of America on December 30, 1982. His health benefits coverage provided by that organization terminated on January 31, 1983. Subsequently, he contacted the Respondent to have his benefits coverage reinstated. The Respondent advised him that he was placed on lay-off status effective March 24, 1982, and that his benefits coverage was terminated effective April 1, 1983, according to the provisions of the Employer's Benefit Plan.

Dispute

Is the Respondent responsible to provide the Complainant with benefits coverage for a 12-month period following his date of layoff by the United Mine Workers of America?

Positions of the Parties

Position of Complainant: He feels that the Respondent is responsible for provision of 12 months of continuation of coverage commencing January 1, 1983.

Position of Respondent: The Complainant's period of continuation of coverage was continued for the balance of the month plus 12 months from the effective date he was placed on lay-off status.

Pertinent Provisions

Article I, (1), (2) and (4) of the Employer's Benefit Plan provides:

Article I - Definitions

The following terms shall have the meanings herein set forth:

1. "Employer" means (name of company)
2. "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1981, 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. of the Employer's 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 any Employee who:

1. is actively at work¹ for the Employer on the effective date of the Wage Agreement; or

.....

Article III. D. 1. (a) and (c) 1. and 3. of the Employer's Benefit Plan provides:

¹ "Actively at work" includes an Employee of the Employer who was actively at work on March 26, 1982, and who returns to active work with the Employer within two weeks after the effective date of the Wage Agreement.

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:

| Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's 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 |

(c) Leave of Absence

1. During any period for which an Employee is granted an approved leave of absence for the purpose of accepting temporary employment with the United Mine Workers of America (UMWA) such Employee shall be eligible to continue health, life and accidental death and dismemberment insurance for a period not to exceed 120 calendar days within any 12-month period.

2. If an Employee who is on an approved leave of absence is placed on lay-off status, or would have been on lay-off status had the Employee been actively at work, health, life and accidental death and dismemberment coverage shall be reinstated as of the effective date of lay-off. Such coverage shall continue for a period determined pursuant to the provisions of paragraph (a) above using the commencement date of the leave of absence in place of the date last worked for the purpose of determining the number of hours worked. In no event shall coverage under this paragraph continue beyond the balance of the month plus 12 months from the effective date of lay-off. An Employee who returns to work after having been on leave of absence shall not have the period for which such Employee was on leave of absence included in the 24-calendar month period as used in paragraph (a) for determining eligibility for continuation of coverage.

Discussion

Under Article III. D. (1)(c) of the Employer's Benefit Plan, an Employee who is granted an approved leave of absence to accept temporary employment with the UMWA is eligible for continued benefits coverage for up to 120 calendar days within any 12-month period. However, if the Employee is placed on lay-off status from the Employer during an approved leave of absence, the Employee's benefits coverage must be reinstated by the Employer as of the effective date of lay-off. The amount of coverage to which the Employee is then entitled is calculated pursuant to Article III. D. (1)(a) of the Employer Benefit Plan, using the commencement date of the leave of absence in place of the date last worked for purposes of determining the number of hours worked. Thus, an Employee who worked for an Employer for more than 2,000 hours prior to the date of his approved leave of absence would be entitled to continued coverage for the balance of the month plus 12 months from the effective date of lay-off.

The Complainant worked more than 2,000 hours for the Respondent during the 24-month period immediately prior to January 16, 1982, the commencement date of his approved leave of absence. He was placed on lay-off status by the Employer on March 24, 1982. Therefore, he was eligible for continuation of coverage under Article III.D. from March 24, 1982 until April 1, 1983.

The Respondent provided benefits coverage for the Complainant during this period. Therefore, the Complainant's continuation of coverage was correctly terminated on April 1, 1983.

Opinion of the Trustees

The Trustees are of the opinion that the Complainant is not eligible for additional continuation of coverage from the Employer.