
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No. 81-296 October 25, 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 ("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 continuation of benefits coverage for an 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 been employed by the Respondent from June 6, 1972 to September 15, 1980, when he requested and was granted a leave of absence for the purpose of accepting temporary employment with the United Mine Workers of America. During the 24 consecutive calendar month period immediately prior to September 15, 1980, he had worked more than 2,000 hours for the Respondent.

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 May 22, 1982, and that he was not eligible for benefits coverage after May 31, 1983, according to the provisions of the Employer's Benefit Plan.

Dispute

Is the Respondent responsible for the provision of benefits coverage for the Complainant beyond May 31 1983?.

Positions of the Parties

Position of the Complainant: Benefits coverage should have commenced February 1, 1983 and continued through January 31, 1984.

Position of the Respondent: An employee who was worked 2,000 or more hours during the twenty-four month period immediately prior to the Employee's last date worked is entitled to coverage for the balance of the month in which he last worked plus twelve months.

Pertinent Provisions

Article I. (1) and (4) of the Employer's Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (coal company)
- (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 work for the Employer on the effective date of the Wage Agreement, or ...

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

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:

* Actively at work includes an Employee of the Employer who was actively at work on March 26, 1981, and who returned to active work with the employer within two weeks after the effective date of the Wage Agreement.

<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

(c) Leave of Absence

3. 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 movement 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

The Complainant in this case was on an approved leave of absence at the time of the lay-off. Article III.D,(1)(c)3 of the Employer's Benefit Plan specifically recognizes this as a unique circumstance in calculating the period to be considered for the purpose of determining an

Employee's eligibility for continuation of health benefits coverage. This provision also specifically defines the commencement date for such continuation of coverage as 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's 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 September 15, 1980, the commencement date of his approved leave of absence. He was placed on lay-off status by the Employer on May 22, 1982. Therefore, he was eligible for continuation of coverage under Article III. D. from May 22, 1982 through May 31, 1983.

Opinion of the Trustees

The Trustees are of the opinion that the Complainant is not eligible for continuation of coverage from the Respondent after May 31, 1983.