
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 81-315 - March 20, 1984

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 responsibility of the Employer, under the terms of the Employer's Benefit Plan, for benefits coverage for a disabled Employee who resigns his employment during his disability period, and hereby render their opinion on the matter.

Background Facts

The Complainant had 26-3/4 years of service in the coal industry as of September 4, 1982, when he suffered a heart attack and was advised by his physician not to return to work in the coal industry. Based on his length of service with the Respondent, the Complainant would have been eligible for 52 weeks of Sickness and Accident ("S&A") benefits. The Complainant received S&A benefits until October 6, 1982. He also received health benefits coverage until early October 1982.

On September 24, 1982, he signed a "Resignation of Contract Employee" form ("quit slip") stating that his reason for resigning was "Disabled due to Heart Attack." The Respondent states that, because the Complainant signed this form, he voluntarily quit his employment. Consequently, the Respondent terminated the Complainant's benefits coverage effective September 24, 1982.

The Complainant claims that he signed the quit slip because he had applied for Black Lung benefits and, in connection with his application, needed a statement from the Respondent that he had terminated his coal industry employment. According to the Complainant, at the time he signed the quit slip, the Respondent's Mine Accountant informed him that the Respondent would not issue the required statement to the federal Black Lung program unless he signed the quit slip. In addition, the Respondent stated that signing the quit slip would have the effect of terminating his weekly benefits and holiday pay. The Respondent requested repayment of the S&A benefits the Complainant had received since September 24, 1982, the effective date on the quit slip.

The Complainant claims that the Respondent did not advise him that his benefits coverage would also be terminated and, had he known this, he would not have signed the quit slip. The Respondent claims that it advises Employees who cease work because of disability or retirement not to sign a quit slip so that they may continue to be eligible for benefits coverage. The Respondent does not claim that it so advised the Complainant, but states that it would have advised him that his benefits coverage would be terminated subsequent to his resignation had he contacted the Respondent concerning this matter. The Respondent also states that the Complainant signed the quit slip at the request of his Local Union so that his job could be posted and a laid-off miner could be recalled. The Complainant denies that he received any such request from his Local Union.

Also contained in the information submitted to the Trustees is a "Field Separation Notice" signed by the Respondent's Mine Accountant, Mine Superintendent, General Foreman, and the Complainant's Immediate Foreman. This form contains three categories for recording the reason an Employee stopped working. The categories are "Voluntary Quit," "Discharged for Cause," and "Other." The form lists the reason the Complainant stopped work under the "Other" category as "retired-signed resignation - 9/24/8."

On October 13, 1982 the Complainant filed an application for pension benefits, listing the reason he stopped work as "disabled, heart attack-massive." This application was subsequently approved effective March 1, 1983, at which time the Respondent reinstated health benefits coverage for the Complainant.

Dispute

Is the Respondent responsible for the provision of health benefits coverage for the Complainant and his dependents during the period September 24, 1982 through March 1, 1983?

Positions of the Parties

Position of the Complainant: The Respondent is responsible for the provision of health benefits coverage during the period in dispute because the Complainant was disabled as the result of a heart attack and unable to work.

Position of the Respondent: The Complainant quit his employment on September 24, 1982. Therefore, under Article III D. (1) (e), he was ineligible for health benefits coverage until he later became eligible to receive these benefits as a pensioner, effective March 1, 1983.

Pertinent Provisions

Article I. (1), (2), (4) and (5) 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).
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.
5. "Pensioner" shall mean any person who is receiving a pension, other than (i) a deferred vested pension based on less than 20 years of credited service, or (ii) a pension based in whole or in part on years of service credited under the terms of Article II G of the 1974 Pension Plan, or any corresponding paragraph of any successor thereto, under the 1974 Pension Plan (or any successor thereto), whose last classified signatory employment was with the Employer, subject to provisions of Article II B of this Plan.

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.

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

Article III D. (1.)(a) (b) and (e). of the Employer's 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:

| Number of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to <u>the Employee's Date Last Worked</u> | Period of Coverage Continuation from the Date <u>Last Worked</u> |
|---|--|
| 2,000 or more hours | Balance of month plus 12 months |
| 500 or more for less than 2,000 hours | Balance of month plus 6 months |
| Less than 500 hours | 30 days |

(b) Disability

Except as otherwise provided in Article II, section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, 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....

(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

In this case, the final determination of the Complainant's entitlement to benefits coverage is dependent on the circumstances surrounding his cessation of employment with the Respondent. Disputes arising over the terms and conditions of employment, except those defined in Article XX, are properly resolved through the grievance mechanism defined in Article XXIII. The Trustees recognize that, in this case, these issues were not presented for resolution through the grievance procedures prior to the filing of the ROD Request. Therefore they find it necessary first to address the issue of whether the Employee quit his employment prior to addressing the issue of his entitlement to benefits coverage under the Employer's Benefit Plan. In future ROD Requests, however, the Trustees will remand such cases, where there is a dispute over the terms

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and conditions of employment as previously describe, to the Employee for resolution through the grievance procedures.

Under Article III.D.(1)(b) of the Employer's Benefit Plan, an Employee who ceases work because of disability is eligible for continuation of benefits coverage for the greater of his period of eligibility for S&A benefits or his period of eligibility based on his hours worked for the Employer. Under Article III.D.(1)(e), however, if an Employee quits, his eligibility ceases as of his last date worked. There is no dispute in this case that the Complainant ceased work because of the disabling heart attack he suffered on September 3, 1982. There is also no dispute that, based on his length of services with the Respondent, he would have been eligible for 52 weeks of S&A benefits. Therefore, under Article III.D.(1)(b), the Complainant would be entitled to weeks of continued benefits coverage from September 3, 1982.

The Respondent contends, however, that the Complainant voluntarily quit his employment effective September 24, 1982, and was ineligible for benefits coverage from that date until March 1, 1983, the effective date of his pension. The only evidence supporting the Respondent's position is the Resignation of Contract Employee form, signed by the Complainant, which contains a clause stating "I hereby voluntarily resign my employment"

It is the Trustees' opinion that the weight of the evidence supports the Complainant's position that he did not quit his employment when he signed the quit slip. At that time, the Complainant had been advised by his physician not to return to work because of his heart attack. On the quit slip, the Complainant stated that he was "[d]isabled due to Heart Attack L.D.W. (9-3-82)." The Complainant claims that he signed the quit slip only because the Respondent's Mine Accountant told him that the Respondent would not inform the federal Black Lung program that his employment had ceased unless he signed the quit slip. In this regard, the Trustees note that an individual who is eligible for Black Lung benefits may begin receiving those benefits as long as he is no longer actively working in the coal industry, even if he is receiving S&A benefits. Therefore, the Respondent could have provided the necessary statement to the Federal Black Lung program without requiring the Complainant to sign a quit slip.

Although the Respondent states that it normally advises disabled Employees not to sign the quit slip, the Respondent does not claim that it so informed the Complainant. Moreover, it is clear from the Field Separation Notice, which lists the Complainant's reason for ceasing work as "retired," that all of the Respondent's senior managers at the mine were of the opinion that the Complainant did not voluntarily "quit."

The Trustees, therefore, conclude that the Complainant's signing of the quit slip does not demonstrate that he voluntarily terminated his employment. Instead, the circumstances here show that he merely signed whatever forms the Respondent presented to him as an employee who was terminating his employment due to disability.

It then follows that the provisions of Article III. D. (1) (b), regarding benefits coverage for Employees who cease work due to disability, are controlling. Accordingly, the Complainant is entitled to health benefits coverage for the period September 24, 1982, through March 1, 1983.

Opinion of the Trustees

The Trustees have determined that the Respondent is responsible for the provision of benefits coverage for the Complainant and his eligible dependents during the period September 24, 1982, through March 1, 1983.