
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 81-381 - 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 this dispute concerning the provision of benefits coverage for an Employee the Employer under the terms of the Employer's Benefit Plan, and hereby render their opinion on the matter.

Background Facts

The Complainant left his job with the Respondent on May 13, 1983. On May 20, 1983, the Respondent confirmed the Complainant's alleged oral resignation by letter. The Complainant was informed in that correspondence that he would receive final payment from the Respondent, by check dated May 27 1983, for his regular and graduated vacation days as well as his unused floating vacation days. A signed postal receipt indicates that the Complainant received the letter on May 21, 1983. The Complainant's final payment check was cashed on May 27, 1983. The Respondent submitted evidence which indicates the Complainant made a claim for state unemployment insurance on May 29, 1983. The claim was denied because the Complainant had quit his employment with the Respondent.

On June 28, 1983, forty-six days after his last date worked for the Respondent, the Complainant was hospitalized for treatment of acute alcoholism. He was discharged from the hospital on July 28, 1983. The charges for this hospitalization amounted to \$8,320.50 and were denied by the Respondent because they were incurred after the Complainant's benefits coverage was terminated on May 13, 1983.

On August 22, 1983, the Complainant was conditionally reinstated to his former job as a result of discussions initiated in connection with the Union grievance procedures. The job reinstatement was based on a "Last Chance Agreement" which stipulated that the Complainant could return to work on August 22, 198 "with full contractual rights as defined by the 1981 Wage Agreement except, (sic) there will be no pay or compensation for any time or days during the period from

May, 1983 to August 22, 1983, this being the time of his absence." This agreement was signed by the Complainant, his Union representative and the Respondent's representatives on August 22, 1983.

Dispute

Is the Respondent responsible for the provision of benefits coverage for the Complainant during the period May 14, 1983 through August 21, 1983?

Positions of the Parties

Position of the Complainant: The Complainant asks whether or not the Respondent is responsible for the provision of benefits coverage during the period the Complainant did not work, i.e., May 14, 1983 through August 21, 1983.

Position of the Respondent: The Respondent states that the Complainant was not eligible for benefits coverage during the period in dispute because he had voluntarily quit his job on May 13, 1983.

Pertinent Provisions

Article I. (1), (2) 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),
- (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 under

Article III.D. 1 (e) of the Employer's Benefit Plan provides:

Article III - Benefits

D. General Provisions

1. Continuation of Coverage
 - (e) Quit or Discharge

If an Employee quits or is discharged, health, life and accidental death and dismemberment insurance coverage 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 further ROD Requests, however, the Trustees will remand such cases where there is a dispute over the terms and conditions of employment as previously described, for resolution through the grievance procedures.

Article III D. (1)(e) of the Employer's Benefit Plan provides that benefits coverage will terminate as of the date last worked if an Employee quits or is discharged. The evidence in this case indicated that the Complainant last worked for the Respondent on May 13, 1983. The Respondent subsequently sent him letters stating that he had quit and enclosing a final paycheck, which the Complainant cashed. In connection with a claim for state unemployment insurance, the Complainant indicated that he had quit his employment with the Respondent. Based on this evidence, the Trustees conclude that the Complainant quit on May 13, 1983.

The Complainant notes, however, that he was reinstated to his job with the Respondent on August 22, 1983, based on a "Last Chance Agreement." The Agreement provides, in pertinent part, that the Complainant could return to work on August 22, 1983, "with full contractual rights as defined by the 1981 Wage Agreement except, (sic) there will be no pay or compensation for any time or days during the period from May, 1983 to August 22, 1983, this being the time of his absence." The Complainant apparently believes that, because the Respondent agreed to reinstate him with full contractual rights, he is entitled to benefits coverage for the period of his absence.

Under the "Last Chance Agreement", however, the Complainant is not entitled to pay or compensation for the period of his absence. Health and other benefits coverage are generally considered a form of wages or compensation. As the "Last Chance Agreement" specifically excludes pay or compensation from the contractual rights the Complainant received in connection with his reinstatement, and benefits coverage is a form of wages as compensation, the

Complainant would not be entitled to benefits coverage for the period of his absence. Therefore, his eligibility for health benefits coverage under the Employer's Benefit Plan ended on the date

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that he quit his job and he did not again become eligible for benefits coverage until the date he returned to work in a classified job for the Respondent.

Opinion of the Trustees

The Trustees are of the opinion that the Respondent is not responsible for the provision of benefits coverage for the Complainant during the period May 14, 1983, through August 21, 1983.