
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 81-387 - March 1, 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 your Request for Resolution of Dispute concerning provision of health benefits coverage during the period July 9, 1980 through December 31, 1980, and hereby render their opinion on the matter.

Background

The Complainant was laid off by the Respondent on December 21, 1979. During the twenty-four consecutive calendar month period immediately prior to December 21, 1979, the Complainant had worked more than 2,000 hours for the Respondent. Based solely on his hours worked, the Complainant qualified for continuation of benefits coverage through December 31, 1980.

On July 9, 1980, the Complainant accepted employment with a construction company signatory to the National Coal Mine Construction Agreement of 1978 ("Construction Agreement"). Upon learning of this fact, the Respondent terminated the Complainant's benefits coverage as of July 9, 1980.

Neither the Respondent, nor the construction employer for whom the Complainant was subsequently employed, provided health benefits for the Complainant during the period July 9 through December 31, 1980.

Dispute

Is the provision of health benefits coverage for the Complainant after July a, 1980 the responsibility of the Respondent or the subsequent construction employer?

Position of the Parties

Position of the Complainant: Having been insured under two (2) UMWA plans at the same time, from July 1980 to December 1980, one of them is responsible for providing health benefits coverage.

Position of the Respondent: Article III, Section E.(1)(f) of the Employer Benefit Plan under Article XX of the National Bituminous Coal Wage Agreement of 1978 states that an employee's health, vision care, life and accidental death and dismemberment insurance will terminate when the employee accepts other employment. Therefore, the Complainant's continued coverage, under lay-off, permanently terminated on July 9, 1980 when he began his other employment.

Pertinent Provisions

Article I (1), (2) and (4) of the 1978 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 1978, 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 III.E.(1) (a) and(f) of the 1978 Employer's Benefit Plan provide:

Article III - Benefits

E. General Provisions

- (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:

<u>Numbers 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

(f) Other Employment

Notwithstanding the foregoing, an Employee's health, vision care, life and accidental death and dismemberment insurance coverage will terminate as of the date the Employee accepts other employment.

Discussion

Under Article III.E. of the 1978 Employer's Benefit Plan, a laid-off Employee who has worked at least 2,000 hours for the Employer during the 24-month period prior to his lay-off is eligible for continuation of benefits coverage for the balance of the month in which he is laid off, plus 12 months. However, if the Employee accepts other employment during this period of eligibility, his benefits coverage ceases as of the date he accepts such other employment.

In this case, the Complainant had worked in excess of 2,000 hours for the Respondent during the 24-month period immediately prior to his last date worked. As of that date, therefore, he was eligible for continuation of benefits coverage through December 31, 1980. However, he

accepted other employment on July 9, 1980. Therefore his eligibility for benefits coverage under the Respondent's Employer's Benefit Plan ceased as of that date.

The Complainant also raises a question concerning his rights to benefits arising out of his subsequent employment with a construction company under the National Coal Mine

Opinion of Trustees
Resolution of Dispute
Case No. 81-387
Page 4

Construction Agreement of 1978. The terms and conditions under which the Trustees were granted an exemption to certain prohibited transactions of ERISA limit their authority to disputes arising out of the administration of Employer Benefit Plans created pursuant to Article XX of the National Bituminous Coal Wage Agreement. Insofar as the remaining issue concerns a dispute arising from the administration of the Construction Agreement, the Trustees may not properly address the question.

Opinion of the Trustees

The Trustees are of the opinion that the Respondent is not responsible for the provision of health benefits coverage for the Complainant after July 9, 1980.