

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 81-445 - April 30, 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 ("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 benefits coverage for a laid-off Employee by the Employer under the terms of the Employer's Benefit Plan. The Trustees hereby render their opinion on the matter.

Background Facts

The Complainant's classified employment for the Respondent began July 25, 1981. He continued his employment through December 3, 1982, when he became ill. He was absent from work through January 17, 1983. He worked until January 21, 1983, at which time he again became ill. During this absence from work, the Respondent instituted a reduction in force and laid-off the Complainant effective March 14, 1983. The Complainant's physician released him for work on April 25, 1983. During the Complainant's period of employment with the Respondent, from July 22, 1981, through January 21, 1983, he had worked more than 2,000 hours. The Respondent therefore provided continuation of coverage for the Complainant and his eligible dependents through January 31, 1984.

Dispute

Is the Respondent responsible for the provision of continuation of coverage for the Complainant and his eligible dependents after January 31, 1984?

Positions of the Parties

Position of the Complainant: The Respondent is responsible for the provision of continuation of coverage for 12 months after the date of lay-off, March 14, 1983.

Position of the Respondent: The Complainant's date last worked was January 21, 1983. The Respondent provided continuation of coverage for the Complainant through January 31, 1984 based on his more than 2,000 hours worked.

Pertinent References

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 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 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.

Article III D. (1) (a), (b) and (d) 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 <u>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 |

(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.

(d) Maximum Continuation of Coverage

In no event shall any combination of the provisions of (a), (b), (c) or (g) above result in continuation of coverage beyond the balance of the month plus 12 months from the date last worked.

Discussion

Although the Complainant claims eligibility for continuation of coverage from the date he was laid-off, the schedule for the continuation of coverage under Article III D.1. (a) provides that the period of coverage for a laid-off Employee is measured from the Employee's date last worked.

The Complainant last worked on January 21, 1983, and ceased work because of disability. Under Article III D.1. (b) of the Employer's Benefit Plan, he was eligible for continued coverage for the balance of January 1983 plus 12 months. The Respondent correctly provided continuation of coverage for the Complainant from the Complainant's date last worked, January 21, 1983, as provided in Article III D.1. (b). Therefore, it is not responsible for benefits coverage after January 31, 1984.

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Opinion of the Trustees

The Respondent is not responsible for the provision of benefits coverage for the Complainant and his eligible dependents after January 31, 1984.