

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 81-549 - April 29, 1985

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee; William B. Jordan, Trustee; William Miller, Trustee; Donald E. Pierce, Jr., 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 under the terms of the Employer Benefit Plan for a laid-off Employee and hereby render their opinion on the matter.

Background Facts

The Complainant performed classified work for the Respondent from April 1982 to August 1983 when he was laid off. He was intermittently on leave of absence during this time performing work for UMWA District 17 as a rank and file Executive Board Member, for which he was paid by the union. Records maintained by the Funds show that, in the 24 consecutive calendar month period immediately prior to his last date worked, the Complainant worked a total of 845 hours for the Respondent. In that same period, he worked 1412 hours for the union.

The Respondent continued to provide the Complainant with health benefits coverage following his layoff until March 1, 1984. The Complainant believes that the combination of his accumulated work hours for the Respondent and for the union should entitle him to continued benefits coverage through August 1984. The Respondent maintains that, because the Complainant had accumulated only 845 work hours in its employ in the 24 consecutive month period prior to his layoff, he is only entitled to coverage for the balance of the month last worked plus six additional months, as specified in Article III D 1(a) of the Employer Benefit Plan.

Dispute

is the Respondent responsible for providing the Complainant with benefits coverage through August 1984?

Positions of the Parties

Position of Complainant: The Complainant believes that the Respondent is responsible for provision of his health benefits coverage through August 1984.

Position of the Respondent: The Respondent maintains that it is responsible for the Complainant's benefits coverage through February 1984 (the balance of the last month worked plus six additional months).

Pertinent Provisions

Article I, (1), (2) and (4) of the Employer Benefit Plan provides:

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 any person working in a classified job for the Employer, eligible to receive benefits hereunder.

Article II. A. 1. for the Employer 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 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.

Article III. D. 1 (a) and (c) 3. of the Employer 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:

Number of Hours Worked for the
Employer in the 24 Consecutive
Calendar Month Period Immediately
Prior to the Employee's Date
Last Worked

Period of Coverage Continuation
from the Date Last Worked

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 Ca) 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 no event 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 was employed by the Respondent from April 1982 to August 15, 1983, at which time he was laid off. Under Article III. D.1 (a) of the Employer Benefit Plan, a laid-off Employee is entitled to continuation of health, life, and accidental death and dismemberment insurance coverage based on the number of hours worked for the Employer in the 24 consecutive calendar months immediately prior to the Employee's last day worked.

Records on file at the Funds show that the Complainant worked a total of 845 hours in his entire period of employment with the Respondent. Article III. D.1 (a) contains a schedule for determining the period of coverage continuation for laid-off Employees based on the "Number of Hours Worked for the Employer" in the 24 month period prior to the Employee's date last worked. In accordance with that schedule, the Complainant would be entitled to continued benefits coverage for the balance of August 1983 plus 6 months. During the 24 month period prior to his date last worked, the Complainant was intermittently on leave of absence from his job performing work for the union which was not compensated by the Respondent. Because these hours were not "Hours Worked for the Employer," they cannot be calculated as such in determining the period of continuation of health benefits coverage.

Article III. D.1(c) 3 provides that when an Employee returns to work after having been on leave of absence, the period for which he was on leave of absence shall not be included in the 24 calendar month period for determining eligibility for continuation of coverage under paragraph (a). Because the Complainant worked a total of 845 hours during the entire period he was employed by the Respondent, he was entitled to continued benefits coverage only for the balance of August plus 6 months. The Complainant's coverage was therefore correctly terminated on March 1, 1984.

Opinion of the Trustees

The Respondent is not responsible for continuation of benefits coverage for the Complainant beyond February 29, 1984.