
OPINION OF TRUSTEES

In Re

Complainants: Laid-off Employees
Respondent: Employer
ROD Case No: 81-678 - February 24, 1986

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 for laid-off Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants were laid off by the Employer in March and April of 1984. The mines in which they had been employed were worked out and closed with no possibility of reopening. The Complainants paneled for the Employer's only two (2) mines that were in existence at the time of layoff.

On June 28, 1984 the Employer sent a letter to the Employees who were paneled for its mines notifying them that they were recalled to work on June 28, 1984 at the Employer's newly opened mine approximately eighty (80) miles from their previous employment. When the Complainants did not report to the newly opened mine on June 28, the Employer dropped them from all of its mine panels, effectively discharging them, and cancelled their insurance coverage.

When the Complainants became aware of their discharges, they filed grievances stating that they had been improperly removed from their mine panels and denied benefits coverage. The grievance was sustained by an arbitrator on October 1, 1984. The arbitrator determined that the grievants should be reinstated to the panels to which they formerly belonged and that "their insurance shall be reinstated with no break in coverage or all claims during that period shall be paid for by the Company."

One of the Complainants has submitted unpaid bills for medical services rendered between June 11, 1984 and November 27, 1984. The Complainants contend that the Respondent did not reinstate their health benefits coverage. The Complainants ask whether they are entitled to extended health benefits coverage as laid-off Employees under the Employer Benefit Plan.

Dispute

Are the Complainants entitled to continued health benefits coverage under the Employer Benefit Plan?

Positions of the Parties

Position of the Complainant: The Complainants ask whether they are entitled to continued health benefits coverage under the Employer Benefit Plan.

Position of the Respondent: The Respondent has not provided its position in this dispute.

Pertinent Provisions

Article I (1), (2) and (4) of the Employer 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.

Article II A (1) and (4) of the Employer Benefit Plan provide:

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; or...
- (4) A new Employee will be eligible for health benefits from the first day worked with the Employer.

*"Actively at work" includes an Employee of the Employer who was actively at work on March 26, 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) of the Employer Benefit Plan provides:

Article III - Benefits

D. General Provisions

- (1) Continuation of Coverage
 - (a) If an Employee ceases work because of a 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 <u>Last Worked</u>	Period of Coverage Continuation from the <u>Date Last Worked</u>
2,000 or more hours	Balance of month plus 12 months
500 or more but less than 2,000 hours 6 months	Balance of month plus
Less than 500 hours	30 days

Discussion

Under Article III D (1) (a) of the Employer Benefit Plan, the Employer is required to provide continued benefits coverage to laid-off Employees based upon the number of hours worked in the 24-month period prior to their last date worked. The Arbitration Award of October 1, 1984 restored the Complainants to the panels to which they formerly belonged and thus restored to them their status as laid-off employees. They are therefore entitled to those benefits provided under the Plan to laid-off Employees.

Opinion of the Trustees

The Complainants are entitled to continued health benefits coverage for their individual periods of eligibility determined under the provisions of Article III D (1) (a) of the Employer Benefit Plan.