

OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employee
Respondents: Employers
ROD Case No: 81-709 - April 30, 1987

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 health benefits coverage for a laid-off Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was employed in a classified job with Little Deuce Coal Company ("Little Deuce") until June 7, 1983, when he was laid off. During the 24-month period prior to June 7, 1983, the Complainant worked 1,219 hours for Little Deuce. The Complainant has stated that he was notified on August 17 1983 that Little Deuce had terminated his health benefits coverage on May 30, 1983. He has submitted copies of unpaid bills for medical services rendered between June 7, 1983 and August 17, 1983.

The Complainant went to work for Michelle Coal Company ("Michelle Coal") on August 17, 1983. Funds' records indicate that on August 15, 1983, Michelle Coal signed an Agreement wherein it assumed "the full responsibility for all obligations of ... [Little Deuce] due or owing the Employees under the Wage Agreement." Michelle Coal operated at the same mine site and employed the same miners as had Little Deuce. Michelle Coal was owned by one of the three owners of Little Deuce. The Complainant worked for Michelle Coal until June 1984, when Michelle Coal ceased operations.

The Complainant then worked for ToJo Mining Company ("ToJo"), which briefly took over the mine site previously operated by Little Deuce and Michelle Coal; operations were later moved to another mine site. There is no evidence that ToJo expressly assumed the health benefit obligations of Michelle Coal or Little Deuce.

The Complainant claims that, based on the number of hours worked for Little Deuce, he is entitled to continued health benefits coverage as a laid-off Employee until August 17, 1983. The

Complainant seeks payment of the medical charges incurred by him and his eligible dependents between June 7, 1983 and August 17, 1983. The Employers have not responded to repeated correspondence from Funds' staff regarding their position in this dispute.

Dispute

Which of the Complainant's Employers is responsible for payment of the medical charges incurred by the Complainant and his eligible dependents between June 7, 1983 and August 17, 1983?

Positions of the Parties

Position of the Complainant: The Complainant asks which of his Employers is responsible for payment of the medical charges incurred by him and his eligible dependents between June 7, 1983 and August 17, 1983.

Position of the Respondents: The Employers have failed to present their positions 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 (Employer's name).
- (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 III D. (1) (a) and (f) of the Employer Benefit Plan provide in pertinent part:

Article III - Benefits

D. General Provisions

- (1) Continuation of Coverage

(a) Layoff

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 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

(f) Other Employment

Notwithstanding the foregoing, in the event an Employee accepts employment during a period of continued coverage under paragraph (a), health, life and accidental death and dismemberment insurance coverage will terminate as of the date of such employment....

Discussion

Article III. D. (1) (a) of the Employer Benefit Plan provides continued benefits coverage for a laid-off Employee for a defined period based on the number of hours worked for the Employer during the 24-month period prior to the date last worked. Article III. D. (1) (f) provides that such continuation of coverage will be terminated if a laid-off Employee accepts other employment.

Inasmuch as the Complainant worked 1,219 hours for Little Deuce Coal Company during the 24-month period prior to his layoff on June 7, 1983, Little Deuce was responsible for the continuation of the Complainant's health benefits from June 7, 1983 until August 17, 1983, when the Complainant accepted employment with Michelle Coal Company. Thus, Little Deuce was responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents between June 7, 1983 and August 17, 1983.

On August 15 1983, Michelle Coal signed the National Bituminous Coal Wage Agreement of 1981 for the mine formerly operated by Little Deuce Coal Company. In a separate Agreement signed on that date, Michelle Coal also assumed full responsibility for all obligations of Little Deuce due or owing the Employees under the Wage Agreement. By virtue of that Agreement, Michelle Coal assumed responsibility for payment of the covered medical expenses incurred by

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the Complainant and his eligible dependents during his eligibility for continued benefits coverage as a laid-off Employee of Little Deuce. This assumption, however, does not relieve Little Deuce of its primary obligation.

Although the Complainant subsequently worked for ToJo Mining, Inc. at the same mine site operated by Little Deuce and Michelle Coal, ToJo did not assume responsibility for the health benefit obligations of Little Deuce or Michelle Coal.

Opinion of the Trustees

Under the Employer Benefit Plan, the Complainant was entitled to continued health benefit coverage from Little Deuce Coal Company while laid off between June 7, 1983 and August 17, 1983.