
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 84-088 - April 29, 1986

Board of Trustees: Joseph 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 level of health benefits coverage for an Employee under the terms of the Employer Benefit Plan. They hereby render their opinion on this matter.

Background Facts

In April 1984, the Complainant was recalled from a panel to work as a truck driver for the Respondent. It later developed that, because the Complainant's drivers license had been revoked, the Respondent was unable to obtain insurance on his trucks. Consequently, on March 7, 1985, the Respondent suspended the Complainant with intent to discharge and the Complainant filed a grievance.

The arbitrator ruled on March 26, 1985 that if the Respondent was unable to obtain insurance by April 22, 1985, the discharge would become final, but that if the Respondent was able to obtain coverage, the Complainant would be reinstated without back pay.

On April 24, 1985, the arbitrator determined that coverage could be obtained at a reasonable cost and ruled that the Complainant should be reinstated as of April 22, 1985. However, since the Respondent had laid off its Employees during the second week of March 1985, the Complainant was reinstated as an active Employee on lay-off status. The Complainant worked a total of 1,209 hours for the Respondent during the 24 consecutive calendar month period prior to March 7, 1985.

On April 30, 1985, the Complainant accepted employment with a new Employer, but states that he was not employed on a permanent basis and was not provided with health benefits coverage by the new Employer. In a telephone conversation with a Fund's staff member on November 5, 1985, the Complainant stated that he did not notify the Respondent in writing of the acceptance and termination of the new employment.

A representative of the Respondent has stated that the Respondent provided health benefits coverage for the Complainant through April 1985. On May 5, 1985, the Respondent attempted to contact the Complainant and was informed by the Complainant's wife that the Complainant had returned to work. At that time, the Respondent informed the Complainant's wife that her husband's coverage under the Employer Benefit Plan was terminated. The Respondent has denied responsibility for the provision of health benefits coverage for the Complainant beyond May 5, 1985, the date the Respondent became aware of the Complainant's acceptance of new employment.

Dispute

Is the Respondent responsible for the provision of extended health benefits coverage for the Complainant and his eligible dependents based upon the number of hours worked for the Respondent during the 24 consecutive calendar month period prior to the Complainant's last day worked?

Position of the Parties

Position of the Complainant: The Respondent is responsible for the provision of extended health benefits coverage for the Complainant and his eligible dependents based upon the number of hours worked for the Respondent during the 24 consecutive calendar month period prior to the Complainant's last day worked.

Position of the Respondent: The Respondent is not responsible for the provision of health benefits coverage beyond May 5, 1985, the date it learned of the Complainant's acceptance of other employment.

Pertinent Provisions

Article I (1), (2), (3) and (4) of the Employer Benefit Plan provide:

Article I - Definitions

The following terms shall have the meanings herein set forth:

- (1) "Employer" means (name of Coal Company).
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1984, as amended from time to time and any successor agreement.
- (3) "Plan Administrator" shall be the Employer, a subsidiary of the Employer, an affiliated company of the Employer or an employee of the Employer, as designated by the Employer.

- (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) the Employer 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
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 coverage will terminate as of the date of such employment. If, however, such employment subsequently terminates prior to the date the Employee's coverage under paragraph (a) otherwise terminates, such Employee's health, life and accidental death and dismemberment coverage will be reinstated following the later of (i) termination of such employment or (ii) any continued health coverage resulting therefrom, and will continue to the date such coverage under paragraph (a) would have otherwise terminated. It is the obligation of the Employee to notify the Employer within 10 days by certified mail of both the acceptance and termination of such employment; failure to provide such notice will result in permanent termination of coverage.

Nothing in this paragraph shall extend coverage beyond the date determined pursuant to paragraph (a).

Discussion

Although the Complainant had been suspended with intent to discharge, the arbitrator's final order to reinstate the Complainant nullifies any effect of the disciplinary action with respect to the Respondent's obligation to provide benefits coverage. Therefore, the issue in this case must be decided based on the Respondent's obligation to provide benefits coverage to a laid-off Employee.

Article III D. (1) (a) of the Employer Benefit Plan provides continued health benefits coverage for a laid-off Employee based upon the number of hours worked for the Employer during the 24 consecutive calendar month period immediately prior to the Employee's last day worked. Notwithstanding the above, Article III D. (1)(f) of the Employer Benefit Plan states that "in the event an Employee accepts employment during a period of continued coverage...health, life and accidental death and dismemberment coverage will terminate as of the date of such employment." However, if such employment should terminate before continued health benefits coverage would have terminated under Article III D. (1)(a), coverage will be reinstated for the duration of the continuation of coverage period. Article III D. (1) (f) further states that it is "the obligation of the Employee to notify the Employer within 10 days by certified mail of both the acceptance, and termination of such employment; failure to provide such notice will result in permanent termination of coverage."

Although the Complainant has stated that his later employment was not permanent and that he did not receive health benefits coverage, the notification provisions of the Plan do not distinguish between the acceptance of "temporary" or "part-time" and full-time employment. Therefore, in the absence of proper notification, the Complainant's health benefits coverage was properly terminated on April 30, 1985, the date the Complainant accepted other employment. Accordingly, the Respondent is not responsible for the provision of additional health benefits coverage for the Complainant and his eligible dependents.

Opinion of the Trustees

The Respondent is not responsible for provision of the health benefits coverage for the Complainant and his eligible dependents beyond April 30, 1985.