
OPINION OF TRUSTEES

In Re

Complainant: Laid-Off Employee
Respondent: Employer
ROD Case No: 84-175 - July 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 a laid-off Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was hired by the Respondent as a classified employee on November 29, 1979. He was laid-off on January 28, 1985. Funds' records indicate that during the 24 calendar month period prior to January 28, 1985, his last date worked, he had worked 3,476 hours.

The Complainant was recalled to work in May 1985 for eight days, until May 9, 1985, when he was again laid-off. According to Funds' records, the Complainant worked a total of 66 hours during this period. Funds' records also indicate that during the 24 month period prior to May 9, 1985, the Complainant had worked 3,185 hours.

The Respondent provided continued health benefits coverage to the Complainant from January 28, 1985 through January 31, 1986. The Complainant contends that based on the number of hours worked during the 24-month period immediately prior to his last date worked, May 9, 1985, he is entitled to health benefits coverage through May 31, 1986.

The Respondent maintains that based on the number of hours the Complainant worked during the 24-month period prior to his lay-off in January 28, 1985, the Complainant is only entitled to continued health benefits coverage through January 31, 1986. The Respondent contends that the Complainant is not entitled to an additional period of continued benefits coverage based on his last date worked of May 9, 1985, because such period would be based on the same manhours used to determine the Complainant's previous period of continued benefits coverage.

Dispute

Is the Respondent responsible for providing continuation of coverage for the Complainant beyond January 31, 1986?

Positions of the Parties

Position of the Complainant: The Respondent is responsible to provide continued benefits coverage through May 31, 1986 based on the number of hours the Complainant worked during the 24-month period prior to his date last worked on May 9, 1985.

Position of the Respondent: The Respondent is responsible to provide continued benefits coverage only through January 31, 1986, based on the number of hours the Complainant worked during the 24-month period prior to his date last worked on January 28, 1985. The Complainant was only recalled to work temporarily in May, 1985, and is not entitled to any additional period of continued benefits coverage as a result of his layoff on May 9, 1985.

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 Freeman United Coal Mining Company.
- (2) "Wage Agreement" means the National Bituminous Coal Wage Agreement of 1984, 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 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; or

*Actively at work includes an Employee of the Employer who was actively at work on September 30, 1984, and who returns to active work with the Employer 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) 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 800 hours

30 days

Discussion

Article III D. (1)(a) of the Employer Benefit Plan provides continued benefits coverage for an Employee who ceases work because of layoff. Under the express provisions of Article III. D. (1)(a), an Employee's eligibility for continuation of coverage is based on the total number of hours worked for the Employer during the 24-calendar month period prior to his last date worked.

The Complainant worked 3,476 hours during the 24-calendar month period prior to his layoff on January 28, 1985. In accordance with Article III D. (1)(a) of the Employer Benefit Plan, the Complainant was entitled to continued benefits coverage for the remainder of January plus twelve months. Inasmuch as the Complainant was recalled to work for the Respondent in May 1985, this period of continued benefits coverage ended and he was entitled to health benefits coverage as an active employee.

The Complainant worked for the Respondent until May 9, 1985, when he was again laid-off. The Employer Benefit Plan does not provide for any reduction of the total "number of hours worked in the 24 consecutive calendar month period" in cases where the same hours may have been used to determine a prior period of continued benefits coverage. Inasmuch as the Complainant worked 3,188 hours during the 24-calendar month period prior to May 9, 1985, he is eligible for continued benefits coverage for the remainder of May plus twelve months under Article III D. (1)(a) of the Plan. Therefore, the Respondent is responsible for providing continued benefits coverage for the Complainant through May 31, 1986.

Opinion of the Trustees

The Respondent is responsible for providing continued benefits coverage for the Complainant from May 9, 1985 through May 31, 1986.