

OPINION OF TRUSTEES

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In Re

Complainant: Laid-off Employee  
Respondent: Employer  
ROD Case No: 84-176 - February 18, 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") 1980 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.

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Background Facts

The Complainant was employed in a classified position by the Respondent from May 29, 1988 until August 8, 1985, when he was laid off. The Complainant has submitted copies of his pay stubs which indicate that he worked 374 hours for the Respondent during the 24-month period preceding August 8, 1988.

The Complainant believes that during his employment with the Respondent his health benefits coverage was implemented through Provident Life and Accident Insurance ("Provident"). The Complainant has submitted copies of unpaid bills for medical services rendered between June 12, 1988 and October 16, 1985. It appears that those bills were submitted to Provident, but that payment was denied because coverage was terminated at the time the expenses were incurred. A representative for Provident has stated that coverage was terminated by L & M Coal Company from May 1, 1988 through October 22, 1985.

The Complainant contends that the Respondent is responsible for payment of the covered medical charges incurred by the Complainant and his eligible dependents during his period of eligibility for health benefits coverage as an Employee and as a laid-off Employee.

The Respondent is signatory to the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1984. The Respondent has failed to answer repeated correspondence from the Funds requesting its position in this dispute.

Dispute

Is the Respondent responsible for payment of the medical charges incurred by the Complainant and his eligible dependents?

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Positions of the Parties

Position of the Complainant: The Respondent is responsible for payment of the covered medical charges incurred by the Complainant and his eligible dependents during the Complainant's employment and during his eligibility for continued coverage as a laid-off Employee.

Position of the Respondent: The Respondent has failed to inform the Funds of its position in this dispute.

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Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 provides in pertinent part:

Article XX - Health and Retirement Benefits

Section (c) 1974 Plans and Trusts

(3)(i) Each signatory Employer shall establish and maintain an Employee benefit plan to provide, implemented through an insurance carrier(s), health and other non-pension benefits for its Employees covered by this Agreement as well as pensioners, under the 1974 Pension Plan and Trust, whose last signatory classified employment was with such Employer. The benefits provided by the Employer to its eligible Participants pursuant to such plans shall be guaranteed during the term of this Agreement by that Employer at levels set forth in such plans.

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 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. (4) 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

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

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:

<u>Numbers of Hours Worked for the Employer in the 24 Consecutive Calendar Month Period Immediately Prior to the Employee's Date Last Worked</u>	<u>Period of Coverage Continuation from the Date Last Worked</u>
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

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Discussion

Article XX Section (c)(3)(i) of the 1984 Wage Agreement requires each signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits to its Employees. The Wage Agreement stipulates that benefits provided by the Employer pursuant to such plan shall be guaranteed during the term of the Agreement by that Employer at levels set forth in such plans.

Article II A. (4) of the Employer Benefit Plan provides health benefits coverage to a new Employee from the first day worked. Article III D. (I) (a) of the Plan provides continued benefits coverage for a laid-off Employee based on the number of hours worked for the Employer during the 24-month period immediately prior to his last date worked. Inasmuch as the Complainant was employed in a classified job by the Respondent from May 29, 1988 until August 5, 1988, the Respondent is responsible for providing health benefits coverage to the Complainant and his eligible dependents during that period. Based upon the Complainant's hours worked during the 24-month period prior to August 8, 1988, his last day worked prior to layoff, the Respondent is also responsible for continuation of the Complainant's health benefits coverage for 30 days beyond August 8, 1988, pursuant to Article III D. (1) (a) of the Employer Benefit Plan. Therefore, the Respondent is responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents from May 29, 1985 through September 4, 1985 under the terms of the Employer Benefit Plan.

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Opinion of the Trustees

The Respondent is responsible for payment of the covered medical expenses incurred by the Complainant and his eligible dependents from May 29, 1985 through September 4, 1988 under the terms of the Employer Benefit Plan.