

OPINION OF TRUSTEES

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In Re

Complainant: Employee  
Respondent: Employer  
ROD Case No: 84-239 - January 27, 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 an Employee under the terms of the Employer Benefit Plan.

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Background Facts

The Complainant was employed with the Respondent in a classified job when he was injured in a non-work-related accident on November 8, 1984. He was unable to return to work and received Sickness and Accident ("S&A") Benefits through November 18, 1985. The Respondent provided continued health benefits coverage for the Complainant through November 30, 1985, when the Complainant's benefits coverage terminated under the Employer Benefit Plan.

On February 24, 1986, the Complainant provided the Respondent with a release from his attending physician to return to work. The Complainant has stated that he thought he was physically able to return to work. The Complainant attended a retraining class that same day. At the end of the class, the Respondent challenged the Complainant's physical ability to perform his regular work and informed him that he could not return to work until he was examined pursuant to Article III Section (j) of the Wage Agreement.

The Complainant was subsequently examined by a physician on February 25, 1986, and by a second physician on March 7, 1986. Both examiners reported that the Complainant's physical condition prevented him from performing his regular work. As a result of their findings, the Respondent determined that the Complainant was still unable to perform his regular duties.

The Complainant contends that his attendance at the retraining class on February 24, 1986 constitutes a return to work; therefore, his health benefits coverage should have been reinstated on that date and should be continued beyond that date based on the number of hours he worked in the 24-month period prior to February 24, 1986. Funds' records indicate that the Complainant

worked 1,492 hours for the Respondent in the 24 consecutive calendar month period prior to February 24, 1986.

The Respondent has refused to provide health benefits coverage for the Complainant, claiming that the Complainant's attendance at a retraining class does not constitute a return to active employment.

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Dispute

Is the Complainant entitled to health benefits coverage on the date he attended a retraining class and to continued health benefits coverage beyond that date?

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Positions of the Parties

Position of the Complainant: The Complainant returned to work by attending a retraining class or one day before he was terminated for medical reasons. He is therefore entitled to health benefits coverage for that day and for continued benefits coverage based on his hours worked for the Respondent in the preceding 24-month period.

Position of the Respondent: The Complainant's attendance at a retraining class does not constitute a return to active employment for purposes of health benefits coverage.

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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 (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.
- (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.

Article III D. (1) (a), (b), (d) and (g) of 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

(b) Disability

Except as otherwise provided in Article II, section C, if an Employee ceases work because of disability, the Employee will be eligible to continue health, life and accidental death and dismemberment coverage while disabled for the greater of (i) the period of eligibility for Sickness

and Accident benefits, or (ii) the period as set forth in the schedule in (a) above.

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\*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.

(d) Maximum Continuation of Coverage

In no event shall any combination of the provisions of (a), (b), (c), (e) or (g) above result in continuation of coverage beyond the balance of the month plus 12 months from the date last worked.

(g) Article III (j) - Wage Agreement

An Employee terminated under the provisions of Article III(j) of the Wage Agreement shall not be treated as a quit or discharge for purposes of continuation of coverage. Such an Employee shall be entitled to continuation of coverage on the same basis as provided for in paragraph (b) above; provided, however, hours worked and the period of continuation of coverage shall be determined as of the date last worked.

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Discussion

Article III D.(1)(b) provides continued benefits coverage for an Employee who "ceases work because of disability." The period of continued benefits coverage shall extend from the date last worked for the greater of the Employee's period of eligibility for Sickness and Accident Benefits, or the period as set forth in Article III D. (1)(a). Under Article III D. (1)(a), the period of continued coverage is based upon the number of hours worked for the Employer in the 24-month period prior to the Employee's date last worked. The maximum period of continued coverage under Article III D. (1) is the balance of the month in which the Employee last worked plus twelve months.

The Complainant ceased work because of disability in November 1984. Inasmuch as the Respondent provided continued benefits coverage for the Complainant through November 30, 1985, the Respondent fulfilled its obligation under Article III D. (1)(b) of the Employer Benefit Plan. The Complainant remained unable to work after his eligibility for continued benefits coverage terminated.

Under Article II A. of the Employer Benefit Plan, health benefits coverage is provided to an Employee either from the first day worked or when the Employee returns to active employment with the Employer. The language of Article II A. does not qualify the terms "first day worked" or "active employment" by differentiating between time spent in retraining versus time spent in a regular job classification. Under the terms of the Wage Agreement, every classified Employee is

required to participate in an orientation program when employed and a general retraining program at least once during each calendar year. The Employee is paid for time spent in such programs at the regular rate applicable to his job classification. Employers are required by the Wage Agreement and by ERISA to report employee hours to the Funds; hours spent by an Employee in retraining are reported as hours worked. Hours spent in retraining are also credited as hours worked for pension credit purposes. Given the retraining requirements of the Wage Agreement, the language of the Employer Benefit Plan, and the considerations noted above, the Trustees conclude that active employment must be considered to include certain periods of safety training and retraining.

Inasmuch as the Respondent accepted the Complainant's medical release and sent him to a retraining class on February 24, 1986, the Complainant can be considered to have returned to active employment on that date. Therefore, in accordance with Article II A., he was entitled to health benefits coverage, effective February 24, 1986.

At the end of the retraining class, the mine superintendent challenged the Complainant's physical ability to perform his regular work by invoking Article III (j) (3) of the Wage Agreement. Two examiners concurred that the Complainant's physical condition prevented him from performing his regular work.

Under Article III D. (I) (g) of the Employer Benefit plan, when the provisions of Article III (j) of the Wage Agreement are invoked, an Employee is entitled to continuation of coverage for a period based upon the number of hours the Employee worked for the Employer in the 24-month period prior to his last date worked, as set forth in Article III D. (1) (a) of the Plan. Inasmuch as the Complainant worked 1,492 hours for the Respondent in the 24-month period prior to February 24, 1986, he is entitled to continued health benefits coverage through August 1986.

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Opinion of the Trustees

The Respondent is responsible for providing health benefits coverage for the Complainant on February 24, 1986 and for continuation of such coverage through August 31, 1986.