
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 84-294 - 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 benefits coverage under the terms of the Employer Benefit Plan.

Background Facts

The Complainant worked for C & L Coal Company (C&L) in a classified position from February 1984 through on or about June 12, 1986. On or about that date, C & L ceased operations and laid off its Employees, including the Complainant. On or about June 17, 1986, Monk Coal Company, the Respondent, was established to sub-lease and operate the equipment and mine previously operated by C & L. C & L Coal Company and the Respondent are separately incorporated and owned and operated by different individuals. The Respondent signed the 1984 Wage Agreement effective June 26, 1986.

The Complainant claims to have worked for the Respondent from on or about June 23, 1986 through on or about July 18, 1986. The Complainant claims that during that period he worked 142 hours for the Respondent. On Friday, July 18, 1986, the Complainant was injured in a non-work related accident. On the following day, he notified the Respondent that due to his injury he was unable to return to work for approximately one week. On or about July 23, 1986, the Respondent gave the Complainant a permanent layoff slip dated July 18, 1986.

The Complainant contends that the Respondent is responsible for providing continued health benefits coverage for him as a laid-off Employee based on his hours worked for C & L and Monk Coal Company. The Respondent claims that the Complainant was not laid-off, but voluntarily quit his employment on July 21, 1986. The Respondent has submitted a statement signed by eight (8) of its Employees indicating that the Complainant stated that he wanted a layoff slip in order to receive unemployment compensation. The Respondent contends that under Article III (D)(1)(e) of the Employer Benefit Plan, the Complainant was entitled to health benefits coverage only through his last day worked, July 18, 1986, but the Respondent nonetheless provided coverage through August 31, 1986.

Dispute

Whether the Respondent is responsible for providing the Complainant with health benefits coverage after August 31, 1986.

Positions of the Parties

Position of the Complainant: The Complainant was laid off and is entitled to continued health benefits coverage after August 31, 1986.

Position of the Respondent: The Complainant quit and is not entitled to health benefits coverage after August 31, 1986.

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 (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) and (e) 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:

<u>Number 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

- (e) Quit or Discharge

If an Employee quits or is discharged, health, life and accidental death and dismemberment insurance coverage will terminate as of the date last worked.

Discussion

Article III D.(1)(a) of the Employer Benefit Plan provides continued health 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 immediately prior to the date last worked. The issue of an Employer's responsibility to provide continued health benefits coverage to a laid-off Employee based on hours worked by such Employee for a separate Employer has been previously addressed in Resolutions of Dispute 81-338 and 81-621 (copies enclosed herein). The Trustees concluded in those respective opinions that an Employer is not responsible for providing continued coverage for a laid-off Employee based on hours worked for a separate Employer. Inasmuch as C & L and the Respondent are separately incorporated and owned and operated by different individuals, they are separate Employers for purposes of calculating a period of continued benefits coverage.

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As an Employee who voluntarily quit, the Complainant would be entitled to health benefits coverage through his last day of work, on or about July 18, 1986. Inasmuch as the Complainant worked 142 hours for the Respondent, his period of continuation of coverage as a laid-off Employee would be 30 days, through August 17, 1986. The Respondent provided coverage through August 31, 1986. Therefore, whether the Complainant quit or was laid off by the Respondent, the Respondent has satisfied its obligations to provide health benefits coverage for the Complainant.

Opinion of the Trustees

The Respondent, who provided the Complainant's health benefits coverage through August 31, 1986, is not responsible for providing coverage beyond that date.