

OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 84-356 - May 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.

Background Facts

The Complainant began working in a classified position for the Respondent in January 1986. On March 27, 1986, he was injured in a mine accident and was treated by a physician on that date. The Complainant states that an accident report was filed and a claim was submitted for Workers' Compensation on the date of his accident. The Complainant claims that because of pain and stiffness he was unable to return to his regular work; however, he has stated that he continued to perform light duties for which he was paid his regular wages until about mid-April. At that time, his attending physician advised him not to return to work in any capacity and referred him to an orthopedic specialist. Based on the injury of March 27, 1986, he was awarded Workers' Compensation benefits, including medical benefits, beginning April 25, 1986. The Complainant had an operation on his leg on May 1, 1986, and a second operation on May 8, 1986, for the treatment of injuries sustained in the mine accident.

The Complainant maintains that he ceased working for the Respondent because of disability. In support of his position, he has submitted an Attending Physician's Statement on which the specialist, who first examined him on April 21, 1986, indicated that the Complainant would be totally disabled for an indefinite period beyond April 21, 1986. The Complainant states that he is still unable to work. He continues to receive Workers' Compensation benefits and he has applied for Social Security Disability Insurance benefits.

The Complainant has also submitted a copy of a letter dated September 19, 1986 from the Respondent advising him that his continued health benefits coverage would expire on October 31, 1986, in light of his compensation claim of March 27, 1986 and his layoff date of April 21, 1986. The Complainant contends that this letter was the first notice he received that he was laid

off and that he has never received a layoff slip. The representative for the Complainant has stated that the Respondent provided continued health benefits coverage for the Complainant as a laid-off Employee for only a six-month period. He asks whether the Respondent is responsible for providing twelve months of continued benefits coverage for the Complainant as a disabled Employee.

The Respondent has stated that following the accident on March 27, 1986, the Complainant was treated by a physician and released to return to his job at full capacity on March 28, 1986. The Respondent claims that the Complainant worked every scheduled shift, with no complaints, from March 28, 1986 until April 17, 1986, when he was laid off. At that time, the Respondent laid off twenty-eight Employees due to a reduction in work force. The Respondent has stated that it provided continued benefits coverage for the Complainant as a laid-off Employee for the balance of April 1986 plus six months based on the Complainant's hours worked for the Respondent in the 24-month period prior to layoff. Hours reported to the Funds by the Respondent indicate that the Complainant worked 530 hours for the Respondent during that period.

Dispute

For what period is the Respondent responsible for providing continued benefits coverage for the Complainant under the terms of the Employer Benefit Plan?

Positions of the Parties

Position of the Complainant: The representative for the Complainant asks whether the Respondent is responsible for providing twelve months of continued benefits coverage for the Complainant as a disabled Employee.

Position of the Respondent: The Complainant was laid off on April 17, 1986. Based on his hours worked for the Respondent, the Respondent has provided continued benefits coverage for the Complainant as a laid-off Employee through October 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 (Employer's name).
- (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 (b) 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

(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 insurance 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.

Discussion

Article III D.(1)(a) of the Employer Benefit Plan provides continued benefits coverage for a laid-off Employee for a defined period based upon the number of hours worked for the Employer in the 24-month period prior to the Employee's date last worked. Article III D.(1)(b) of the Plan provides continued benefits coverage for an Employee who ceases work because of disability for the greater of the period of eligibility for Sickness and Accident benefits or the period as set forth in Article III D.(1)(a).

The Respondent has stated in its response to this ROD that the Complainant ceased work because of layoff on April 17, 1986, when the Respondent laid off twenty-eight Employees due to a reduction in work force. In a letter to the Complainant dated September 19, 1986, the Respondent indicated that the Complainant was laid off on April 21, 1986. The Complainant claims that he was not informed of a layoff on either date, and he has stated that he never received a layoff slip. Although a reduction in work force coincided with the Complainant's last date worked, the Respondent has not submitted conclusive documentary evidence that the Complainant ceased work because of layoff at that time. Furthermore, given the fact that the Complainant's disabling injury occurred prior to either of the alleged layoff dates, and in light of the physician's finding that the Complainant was totally disabled as early as April 21, 1986 (one of the alleged layoff dates), the Trustees reasonably conclude that the Complainant ceased work because of disability and, while disabled is entitled to continued benefits coverage as set forth in Article III D. (1)(b).

Under the terms of the National Bituminous Coal Wage Agreement of 1984, the Complainant, as an Employee disabled in a mine accident, is eligible for Sickness and Accident benefits for a maximum of 52 weeks. Under Article III D. (1)(a), the Complainant is entitled to a period of coverage continuation for the balance of the month in which he last worked plus 6 months. Inasmuch as Article III D. (1)(b) provides continued benefits coverage for the greater of those two periods, the Respondent is responsible for providing continued benefits coverage for the Complainant for a maximum of 52 weeks, through April 16, 1986 under that provision of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing continued benefits coverage for the Complainant from April 17, 1986 through April 16, 1987.