

OPINION OF TRUSTEES

In Re

Complainants: Laid-off Employees
Respondent: Employer
ROD Case No: 84-522 - January 28, 1988

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 laid-off Employees under the terms of the Employer Benefit Plan.

Background Facts

On August 28, 1986, the Respondent ceased production at the mine where the Complainants worked. On October 4, 1986, the Complainants were laid off and the mine was closed. Forty-four (44) of the Complainants last worked in classified positions for the Respondent on September 2, 1986; the remaining Complainants last worked for the Respondent in August 1986.

The representative for the Complainants contends that the Complainants are entitled to continued health benefits coverage from the date of layoff, October 4, 1986, throughout their individual periods of eligibility based on their hours worked for the Respondent in the 24-month period prior to the layoff date.

The Respondent has stated that the continuation of coverage period for each of the Complainants commences with their respective dates last worked, and not with the date of layoff.

Dispute

Is the Respondent responsible for the continuation of health benefits coverage for the Complainants from the date last worked or the date of layoff?

Positions of the Parties

Position of the Complainants: The Respondent is responsible for the continuation of health benefits coverage for the Complainants from the date of layoff.

Position of the Respondent: The Complainants are entitled to continuation of health benefits coverage from the date last worked based on their hours worked for the Respondent in the 24-month period prior to the date last worked.

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. (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.

*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:

<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

Discussion

Under Article III D. (1)(a) of the Employer Benefit Plan, the period of coverage continuation for a laid-off Employee is measured from the Employee's date last worked. Inasmuch as the Complainants are classified Employees who were laid off by the Respondent, the Respondent is responsible for the continuation of health benefits coverage from their respective dates last worked during their individual periods of eligibility as determined under the terms of Article III D. (1)(a) of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is responsible for providing continued health benefits coverage to the Complainants from their respective dates last worked during their individual periods of eligibility, as determined under the terms of the Employer Benefit Plan.