
OPINION OF TRUSTEES

In Re

Complainant: Laid-off Employee
Respondents: Employers
ROD Case No: 84-613 - July 26, 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 health benefits coverage for a laid-off Employee under the terms of the Employer Benefit Plan.

Background Facts

The Complainant was employed in a classified position with Jewell Ridge Mining until February 27, 1987, when he was laid off. Funds' records indicate that the Complainant worked over 2,000 hours for Jewell Ridge Mining during the 24-month period prior to February 27, 1987. Jewell Ridge Mining provided continued health benefits coverage for the Complainant until May 10, 1987, when the Complainant notified Jewell Ridge Mining that he had accepted other employment with Simmons Construction. The Complainant states that he terminated his employment with Simmons Construction in July 1987, and accepted employment with R.B.J. Coal Company on July 28, 1987. The Complainant was employed with R.B.J. Coal Company, a signatory employer, until December 11, 1987, when R.B.J. Coal Company ceased operations. Funds' records indicate that the Complainant worked 643 hours for R.B.J. Coal Company during the 24-month period prior to December 11, 1987.

The Complainant states that on January 15, 1988, he was informed by Provident Insurance that his health benefits coverage with R.B.J. Coal Company had been terminated because the company had not paid its insurance premiums. The Complainant states that he has unpaid medical bills incurred during his employment with R.B.J. Coal Company. The Complainant further states that because R.B.J. Coal Company is no longer operating, he asked Jewell Ridge Mining to reinstate his health benefits coverage for the remainder of his period of eligibility as a laid-off Employee of Jewell Ridge Mining.

Jewell Ridge Mining states that it terminated health benefits coverage for the Complainant in accordance with Article III. D. (1)(f) of the Employer Benefit Plan when the Complainant accepted other employment with Simmons Construction on May 10, 1987. Jewell Ridge Mining contends that the Complainant is not entitled to any additional health benefits coverage since he did not notify Jewell Ridge Mining of his subsequent termination of employment with Simmons Construction, nor of his acceptance of employment with R.B.J. Coal Company. The Respondent maintains that the Complainant's failure to provide such notice results in the permanent termination of coverage, in accordance with Article III. D. (1)(f) of the Plan.

Dispute

The Complainant asks who is responsible for providing his continued health benefits coverage as a laid-off Employee.

Positions of the Parties

Position of the Complainant: The Complainant asks who is responsible for providing his continued health benefits coverage as a laid-off Employee.

Positions of the Respondents: Jewell Ridge Mining is not responsible for providing the Complainant with continued health benefits coverage beyond May 10, 1987, because the Complainant did not comply with the notification requirements set forth in Article III. D. (1)(f) of the Employer Benefit Plan.

R.B.J. Coal Company has not replied to repeated correspondence from Funds' staff requesting its position in this dispute.

Pertinent Provisions

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

(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 (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 (f) 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:

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

(f) Other Employment

Notwithstanding the foregoing, in the event an Employee accepts employment during a period of continued coverage under paragraph (a), health, life and accidental death and dismemberment insurance coverage will terminate as of the date of such employment. If, however, such employment subsequently terminates prior to the date the Employee's coverage under paragraph (a) otherwise terminates, such Employee's health, life and accidental death and dismemberment insurance coverage will be reinstated following the later of (i) termination of such employment or (ii) any continued health coverage resulting therefrom, and will continue to the date such coverage under paragraph (a) would have otherwise terminated. It is the obligation of the Employee to notify the Employer within 10 days by certified mail of both the acceptance and termination of such employment; failure to provide such notice will result in permanent termination of coverage. Nothing in this paragraph shall extend coverage beyond the date determined pursuant to paragraph (a).

Discussion

Article XX (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1984 requires a signatory Employer to establish and maintain an Employer Benefit Plan to provide health and other non-pension benefits for 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 Plan.

Article II A. (4) of the Employer Benefit Plan provides that active Employees shall be eligible for health and other non-pension benefits coverage from the first day worked with the Employer. Article III D. (1) (a) provides that such coverage shall continue for each laid-off Employee for a period based on the number of hours worked by the Employee for the Employer during the 24-month period prior to the date last worked. Article III D. (1)(f) stipulates that "in the event an Employee accepts employment during a period of continued coverage ... health, life and accidental death and dismemberment insurance coverage will terminate as of the date of such employment. If, however, such employment subsequently terminates prior to the date the Employee's coverage under paragraph (a) otherwise terminates, such Employee's health, life and accidental death and dismemberment insurance coverage will be reinstated following the later of

(i) termination of such employment or (ii) any continued health coverage resulting therefrom, and will continue to the date such coverage under paragraph (a) would have otherwise terminated."

The Complainant last worked in a classified job for R.B.J. Coal Company on December 11, 1987. Based on the number of hours worked for R.B.J. Coal Company during the 24-month period prior to that date, the Complainant is eligible for continued benefits coverage from R.B.J. Coal Company for the balance of December plus six months. Therefore, R.B.J. Coal Company is responsible for providing health benefits coverage for the Complainant during his period of eligibility as an Employee and as a laid-off Employee of that company through June 30, 1988, under the terms of the Wage Agreement and Employer Benefit Plan.

Because R.B.J. Coal Company failed to provide such coverage, the Complainant asked Jewell Ridge Mining to reinstate his coverage. Under the terms of Article III D. (1)(f), coverage from Jewell Ridge Mining could not be reinstated until coverage from R.B.J. Coal Company had expired. Inasmuch as the Complainant's period of eligibility for continued coverage from R.B.J. Coal Company (December 1987 through June 30, 1988) extends beyond the maximum period of coverage for which he could have qualified based on his hours worked for Jewell Ridge Mining (February 1987 through February 29, 1988), Jewell Ridge Mining would not be obligated to reinstate continued benefits coverage for the Complainant under any circumstances.

Opinion of the Trustees

Jewell Ridge Mining is not responsible for providing continued health benefits coverage for the Complainant beyond May 10, 1987, under the terms of the Employer Benefit Plan. R.B.J. Coal Company is responsible for providing health benefits coverage for the Complainant during his period of eligibility as an Employee and as a laid-off Employee of that company through June 30, 1988, under the terms of the Wage Agreement and the Employer Benefit Plan.