
OPINION OF TRUSTEES

In Re

Complainants: Laid-off Employees
Respondent: Employer
ROD Case No: 88-640 - January 12, 1993

Board of Trustees: Joseph P. Connors, Sr., Chairman; Paul R. Dean, Trustee;
Elliot A. Segal, Trustee; Marty D. Hudson, 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 laid-off Employees under the terms of the Employer Benefit Plan.

Background Facts

The Complainants are classified Employees who were laid off by the Respondent on April 13, 1992. Following their lay-off the Respondent mailed a panel form to each Complainant.

In May 1992, the Respondent notified the Complainants that because they had failed to return their panel forms within the required time frame specified under Article XVII of the National Bituminous Coal Wage Agreement ("Wage Agreement") of 1988, the Complainants' seniority rights and employment with the Respondent were terminated. Subsequently, the Complainants were notified that their health benefits coverage was terminated effective April 13, 1992 and that they could elect to continue coverage at their own expense under the Consolidated Budget Reconciliation Act of 1985 (COBRA).

The representative for the Complainants contends that the Respondent is responsible for providing health, life and accidental death and dismemberment insurance coverage for the Complainants beyond April 13, 1992 based on their individual periods of eligibility for continuation of coverage as laid-off Employees. The representative states that there are no provisions under the Employer Benefit Plan that allow for the reduction of benefits when a panel form is not submitted in a timely manner.

The Respondent states that because the Complainants failed to return their panel-forms within the time-frame specified under the Wage Agreement, the Complainants "constructively quit their employment" and the Respondent appropriately terminated the Complainants' health benefits coverage. The Respondent also contends that as the Complainants have filed grievances

concerning the termination of their employment and are awaiting arbitration, the issue of benefits eligibility falls within the jurisdiction of the arbitrator and not with the Trustees.

Dispute

Is the Respondent required to provide continued benefits coverage for the Complainants as laid-off Employees?

Positions of the Parties

Position of the Complainants: The Respondent is required to provide continued benefits coverage for the Complainants as laid-off Employees because the Employer Benefit Plan does not provide for the reduction of benefits when a panel form is not submitted in a timely manner.

Position of the Respondent: The Respondent is not required to provide continued benefits coverage for the Complainants as laid-off Employees because the Complainants "constructively quit their employment". The Respondent also claims that the arbitrator reviewing the Complainants' grievances has jurisdiction over this issue, not the Trustees.

Pertinent Provisions

Article XX Section (c)(3)(i) of the National Bituminous Coal Wage Agreement of 1988 provides in pertinent part:

(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 1988, 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 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

The Respondent has raised a question regarding the Trustees' authority to decide this dispute. Article XX Section (e)(6) of the Wage Agreement authorizes the Trustees to resolve disputes arising under that agreement with regard to the Employer Benefit Plan. As the issue raised by the Complainants concerns their entitlement to benefits coverage and that entitlement is governed by the terms of the Employer Benefit Plan, the Trustees may resolve this dispute consistent with their authority under Article XX Section (e)(6) of the Wage Agreement.

The Respondent claims that an Employee on layoff who fails to submit a panel form within the time frame required in the seniority provisions of Article XVII of the 1988 Wage Agreement

forfeits his right to continuation of health benefits coverage. The Trustees have previously concluded in RODs 81-61, 81-232, 81-243, and 81-356 (copies enclosed herein) that an Employer may not terminate an Employee's continuation of benefits coverage when an Employee fails to submit a timely panel form. Neither the Employer Benefit Plan nor the Wage Agreement expressly provides that failure to submit a mine panel form within the required time period will result in the termination of benefits coverage. Accordingly, the Respondent improperly terminated the Complainants' benefits coverage.

Inasmuch as the Complainants were actively employed in classified positions by the Respondent until they were laid off in April 1992, the Respondent is required to provide health and other non-pension benefits coverage to the Complainants during their individual periods of eligibility for coverage as laid-off Employees, as determined pursuant to Article III D. (1)(a) of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is required to provide health benefits coverage for the Complainants and their eligible dependents for the period specified in Article III D. (1)(a) of the Employer Benefit Plan.