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OPINION OF TRUSTEES

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In Re

Complainant: Laid-off Employees  
Respondent: Employer  
ROD Case No: 93-004 – January 10, 2001

Trustees: A. Frank Dunham, Michael H. Holland, Marty D. Hudson, and  
Elliot A. Segal.

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of benefits under the terms of the Employer Benefit Plan.

Background Facts

The Complainants were employed in classified positions with the Respondent until they were laid off. The Respondent was signatory to the National Bituminous Coal Wage Agreement (“Wage Agreement”) of 1988 which expired on February 1, 1993.

The Respondent was struck by the United Mine Workers of America (“UMWA”) on February 2, 1993, until March 2, 1993. The Respondent advanced 30-day premiums for health insurance coverage for the Complainants during the strike period. On March 2, 1993, the UMWA reached an agreement with the Bituminous Coal Operators’ Association (“BCOA”) to extend the terms of the 1988 Wage Agreement from February 2, 1993, through May 3, 1993. The Complainants returned to work and on May 8, 1993, the Complainants were laid off. The Respondent was again struck by the UMWA on June 3, 1993, until December 16, 1993 (the date of the ratification of the 1993 Wage Agreement).

The Complainants state that they were eligible for continuation of coverage for the balance of the month of May 1993 plus 12 months--through May 30, 1994--based on their hours worked in the 24 consecutive calendar month period immediately prior to their last date worked. The Complainants’ continuation of coverage was suspended from June 3, 1993, until December 16, 1993, because of the strike period. The Complainants contend that their period of continuation of coverage should be extended beyond May 31, 1994, to offset the period from June 3, 1993, to December 16, 1993.

The Respondent states that according to the Employer Benefit Plan, the Complainants are not eligible for continuation of coverage beyond the balance on the month in which they last worked plus 12 months from the date last worked.

Dispute

Is the Respondent required to provide continuation of coverage for the Complainants beyond May 31, 1994?

Positions of the Parties

Position of the Complainant: The Respondent is required to provide coverage beyond May 31, 1994, to offset the coverage not provided from June 3, 1993, to December 16, 1993.

Position of the Respondent: The Respondent is not required to provide continuation of coverage beyond May 30, 1994, because there is no obligation under the Employer Benefit Plan to extend the period of continuation of coverage due to the strike period.

Pertinent Provisions

Article I (1), (2) and (4) of the 1988 and 1993 Employer Benefit Plans 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[1993], 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. (2) of the 1993 Employer Benefit Plan provides:

Article II Eligibility

A. Active Employees

Benefits under Article III shall be provided to any Employee who:

- (2) is on layoff or disabled from the Employer and had continuing eligibility

as of the Effective Date of the Wage Agreement for coverage under the 1988 Employer's Benefit Plan ("prior Plan") as a laid-off or disabled employee. Coverage for such laid-off or disabled Employees shall not continue beyond the date when they would no longer have been eligible for coverage under the provisions of the prior Plan.

Article III. D. (1)(a) and (d) of the 1988 and 1993 Employer Benefit Plans provides:

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

(d) Maximum Continuation of Coverage

In no event shall any combination of the provisions of (a), (b), (c), (e) or (g) above result in continuation of coverage beyond the balance of the month plus 12 months from the date last worked.

Article III D. (2) of the 1988 Employer Benefit Plan provides:

(2) Advanced Insurance Premiums

In the event of an economic strike at the expiration of the 1988 Bituminous Coal Wage Agreement, the Employer shall advance the premiums for its health, vision care, and life and accidental death and dismemberment insurance coverage for the first 30 days of such strike. Such advanced premiums shall be repaid to the Employer by such Employees through a check-off deduction upon their return to work. Should a strike continue beyond 30 days, the Union or such Employees may elect to pay premiums themselves.

Discussion

The Complainants were laid off in May 1993. Article III D. (1) of the Employer Benefit Plan provides continuation of coverage for a laid-off Employee based on the number of hours worked in the 24 consecutive calendar month period prior to the Employee's date last worked. Therefore, the Complainants with 2,000 or more hours were eligible for coverage for the balance of May 1993 plus 12 months or through May 31, 1994.

On June 3, 1993, the Respondent was struck for a second time by the UMWA and the Complainants' health benefits coverage was suspended. In the event of an economic strike following the expiration of the Wage Agreement, Article III D. (2) of the Employer Benefit Plan requires an Employer to advance the insurance premiums for the Employee's health, vision care, life and accidental death and dismemberment insurance benefits. Article III D. (2) further states that should a strike continue beyond 30 days, the Union or such employees may elect to pay premiums themselves. The Respondent met the requirement under Article III D. (2) when it advanced the Complainants' insurance premiums during the first strike period in February 1993.

On December 16, 1993, the Respondent signed the Wage Agreement of 1993 and reinstated the Complainants' health benefits coverage. Under Article II A. (2) of the Employer Benefit Plan as amended under the 1993 Wage Agreement, the Complainants' eligibility for continuation of coverage is continued under the 1993 Employer Benefit Plan for the period for which the Complainants would have been eligible under the prior (1988) Plan. Thus, the Complainants' eligibility for continuation of coverage continued under the 1993 Employer Benefit Plan through May 31, 1994.

The Complainants contend that their coverage should be extended beyond May 31, 1994, to offset the period during the strike when benefits were suspended. Article III D. (1) (d) of the 1993 Employer Benefit Plan states that in no event shall continuation of coverage be extended beyond the balance of the month plus 12 months from the date last worked. The Complainants

were eligible for continuation of coverage for the balance of the month of May 1993 plus 12 months from their date last worked. However, under Article III D. (2) of the 1988 Employer Benefit Plan, the Respondent was not required to provide health coverage during the second economic strike from June 3, 1993, to December 16, 1993. Therefore, the Complainants' period of continuation of coverage was the maximum allowed under Article III D. (1) (d) of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent is not required to provide continuation of coverage for the Complainants beyond May 31, 1994, consistent with Article III D. (1) (d) of the Employer Benefit Plan.