

The American Miners Act of 2019

As a result of the 2008 financial crisis and coal bankruptcies, our nation's retired miners are at risk of losing their hard-earned pension benefits. The United Mine Workers of America (UMWA) 1974 Pension Plan is on the road to insolvency by 2022 – and even sooner if we see additional bankruptcies.

Our nation's coal miners made a commitment to provide our nation with the energy we needed to power our nation to prosperity. They did so time and time again even when it risked their health and their lives. It is time for us to keep our full promise to them and ensure their pension benefits are not lost.

Protecting American Miners

This bill amends the Surface Mining Control and Reclamation Act of 1977 to transfer funds in excess of the amounts needed to meet existing obligations under the Abandoned Mine Land fund to the 1974 Pension Plan to prevent its insolvency. It also raises the cap on these funds from \$490 million to \$750 million to ensure that there is sufficient funding. The legislation would protect the pensions of 87,000 current beneficiaries and 20,000 more who have vested for their pensions but have not yet begun drawing them.

It would also ensure that the miners who are at risk due to the 2018 bankruptcies of both Westmoreland and Mission will not lose their healthcare. This bill amends the Coal Act to include 2018 bankruptcies in the miners' healthcare fix that passed in 2017.

The bill is fully paid for through two provisions:

1. By extending for ten years the Black Lung Disability Trust Fund tax at \$1.10 per ton of underground-mined coal and \$0.55 per ton of surface-mined coal (up to 4.4% of the sales price). This tax is critical for supporting the Black Lung Disability Trust fund, which provides healthcare and benefits to more than 25,000 miners and their dependents.
2. By permitting in-service distributions under a pension plan or a governmental section 457(b) plan at age 59½, thus making the rules for those plans consistent with the rules for section 401(k) plans and section 403(b) plans.

Facts Regarding the 1974 Pension Plan

1. The fund was started in 1946 under an executive order of President Harry Truman and constituted a federal guarantee to the health and welfare of coal miners, creating a “last man's standing” multi-employer and retirement system for them and their dependents.
2. In 1974, the Employment Retirement Income and Security Act of 1974 caused the above-mentioned fund to split into two separate funds, with the 1974 Pension Plan providing pension benefits to eligible miners who worked on or after January 1, 1976.
3. As a result of extremely depressed coal markets, coal company bankruptcies, layoffs, consolidation, an oppressive regulatory environment and other factors there has been a dramatic decrease the level of employer contributions to the 1974 Plan.

The need to act now

As both UMWA and industry representatives have educated Members of Congress and their staffs, if the UMWA 1974 Pension Plan collapses beneficiaries and their dependents will be dropped into the Pension Benefit Guaranty Corporation (PBGC), destroying that program and requiring the American taxpayer to foot the bill instead of the private sector companies. UMWA 1974 Plan actuaries currently expect the Plan to become insolvent in the 2022-2023 time-frame, however any market downturn will rapidly accelerate insolvency.