

United Mine Workers' Combined Benefit Fund

The Energy Policy Act of 1992 provides for the transfer of interest from the Abandoned Mine Reclamation Fund (Fund), to the United Mine Workers of America (UMWA) Combined Benefit Fund (CBF) to defray the annual cost of providing health benefits to unassigned beneficiaries. Social Security Administration (SSA) is responsible for assigning each coal industry retiree receiving benefits to a former employer or related party, those not assigned are considered the "orphans" or unassigned beneficiaries. SSA also calculates the annual per-beneficiary premium charged to each former employer.

Approximately 70,000 people are eligible for benefits (health, pension and death) provided by the CBF, of which approximately 20,000 are unassigned beneficiaries (health). This population decreases each year by about 5-8 percent.

Administration Proposal:

In FY 2001, the Administration will propose legislation to ensure continued benefits for retired coal miners and their dependents as well as ensuring continued solvency of the United Mine Workers of America, Combined Benefit Fund; and continued abandoned coal mine lands reclamation (AML). For the AML Fund, the proposal extends the abandoned mine reclamation fee, which is scheduled to expire on September 30, 2004, an additional 10 years.

In addition, the budget includes an increase of \$15 million above the FY 2000 enacted level (\$196 million to \$211 million) to continue the Administration goal of having appropriations approximately equal reclamation fee receipts by FY 2003.

The abandoned mine reclamation fees, which are scheduled to expire on September 30, 2004, are proposed to be extended through September 30, 2014. These fees, which are levied on coal operators, generally are the lesser of 15 cents per ton for coal produced by underground mining and 35 cents per ton for coal produced by surface mining, or 10 percent of the value of the coal at the mine. Amounts collected will be used to continue abandoned coal miner reclamation. The coal mining states and Indian Tribes have identified over \$4.2 billion in remaining restoration needs. Each year, states, Tribes and Federal agencies identify additional needs.