



UMWA HEALTH AND RETIREMENT FUNDS

2121 K Street, NW • Suite 350 • Washington, DC 20037 • Telephone: 202.521.2200

October 28, 2014

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Avenue, NW
Washington, DC 20210

Re: United Mine Workers of America 1974 Pension Plan
EIN: 52-1050282
Plan No.: 002

2014 NOV -3 PM 5
EWS/PUBLIC R/T

To Whom it May Concern:

Enclosed please find a Notice of Zone Status for the plan year beginning July 1, 2014, which was sent to all participants and beneficiaries of the UMWA 1974 Pension Plan on October 28, 2014. Please note that there are two versions of the zone status notice. The version that includes information about the reduction in death benefits was sent to pensioners whose beneficiaries are potentially eligible to receive death benefits from the Plan, as well as active mine workers and terminated vested participants. The version without language addressing death benefits was sent to pensioners whose beneficiaries are not eligible to receive death benefits from the Plan. We have labeled the two notices accordingly.

Sincerely,

Lorraine Lewis
Executive Director

LL/COD/cod
Enclosure

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[Sent to Participants whose beneficiaries are potentially eligible to receive death benefits from the Plan]

Notice of Zone Status
United Mine Workers of America 1974 Pension Plan
EIN: 52-1050282
Plan No.: 002

This is to inform you that on September 28, 2014 the actuary for the UMWA 1974 Pension Plan ("Plan") certified to the U.S. Department of the Treasury and the Plan Sponsor that the Plan is in critical status for the plan year beginning July 1, 2014. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the sum of the Plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and the Plan is projected to have an accumulated funding deficiency for the 2018 plan year.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the plan sponsor determines that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after October 28, 2014. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of October 28, 2014, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. However, based on a recent arbitration decision, the Plan is able to pay lump sum death benefits that do not exceed \$5,000. Therefore, effective October 28, 2014, the Plan's lump sum death benefit shall be \$5,000 while the Plan is in critical status.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- Post-retirement death benefits
- Disability benefits (if not yet in pay status)
- Early retirement benefit or retirement-type subsidy
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA)
- Benefit increases that occurred in the past 5 years

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under its collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the Plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact the UMWA Health & Retirement Funds' Call Center toll free at 1-800-291-1425, option 3. If you would prefer to send written correspondence about this notice, you may send it to the Board of Trustees, UMWA 1974 Pension Trust, 2121 K Street NW Suite 350, Washington DC 20037. You have a right to receive a copy of the rehabilitation plan from the Plan after it is adopted.

[Sent to Pensioners whose beneficiaries are NOT eligible to receive death benefits from the 1974 Plan]

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United Mine Workers of America 1974 Pension Plan
EIN: 52-1050282
Plan No.: 002

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Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan’s actuary determined that the sum of the Plan’s normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and the Plan is projected to have an accumulated funding deficiency for the 2018 plan year.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. If the plan sponsor determines that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant’s basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after October 28, 2014. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of October 28, 2014, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- Post-retirement death benefits
- Disability benefits (if not yet in pay status)
- Early retirement benefit or retirement-type subsidy
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA)
- Benefit increases that occurred in the past 5 years

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan’s financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under its collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the Plan is in critical status.

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