

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

Introduction

As the result of the enactment of the Bipartisan American Miners Act of 2019 (“Miners Act”), the United Mine Workers of America 1974 Pension Plan (“Plan”) receives direct funding from the United States Treasury. Under the Miners Act, the Plan received federal transfers each year since 2020, and the Plan will continue to receive transfers until it reaches full funding. Notwithstanding the protections of the Miners Act, federal law requires that you receive this notice. This notice is to inform you that on September 26, 2025 the actuary for the 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, 2025.

Critical Status

The Plan is considered to be in critical status because of provisions of the Miners Act and, as of the beginning of the current plan year, it has funding or liquidity problems, or both. More specifically, the Plan’s actuary determined that the Plan has an accumulated funding deficiency for the current 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 or forestalling possible insolvency. 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. Effective October 28, 2014, the Plan’s lump sum death benefit was reduced to \$5,000 for eligible beneficiaries.

The UMWA and BCOA adopted a Rehabilitation Plan on February 26, 2015, which was later updated on May 25, 2016, August 15, 2016, May 26, 2017, April 24, 2018, April 24, 2019, April 24, 2020, April 26, 2021, April 25, 2022, April 28, 2023, April 26, 2024, and April 25, 2025. The rehabilitation period is July 1, 2017 through June 30, 2027, or the date the actuary certifies that the Plan has emerged from 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

The Rehabilitation Plan updated by the UMWA and BCOA on April 25, 2025 provides an alternative schedule in which there are no reductions in benefits (other than the death benefit reduction that took effect October 28, 2014).

Employer Surcharge

The law requires that all contributing employers pay to the Plan in critical status a surcharge to help correct the Plan's financial situation until such time as the bargaining parties negotiate a collective bargaining agreement or other agreement that includes terms consistent with the terms of the Plan's Rehabilitation Plan. 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. This surcharge was eliminated, effective July 2, 2016, when the bargaining parties negotiated an agreement that includes terms consistent with the updated Rehabilitation Plan.

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.