

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 878

To amend the Internal Revenue Code of 1986 to reduce mandatory premiums to the United Mine Workers of America Combined Benefit Fund by certain surplus amounts in the Fund, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 26 (legislative day, MAY 15), 1995

Mr. COCHRAN (for himself, Mr. LOTT, Mr. WARNER, Mr. McCONNELL, Mr. SANTORUM, Mr. ABRAHAM, Mr. D'AMATO, Mr. BOND, Mr. PRESSLER, Mr. DEWINE, Mr. KYL, Mrs. KASSEBAUM, and Mrs. HUTCHISON) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to reduce mandatory premiums to the United Mine Workers of America Combined Benefit Fund by certain surplus amounts in the Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. REDUCTION IN REQUIRED PREMIUMS TO COM-**  
4 **BINED FUND BY EXCESS SURPLUS IN FUND.**

5 (a) IN GENERAL.—Paragraph (3) of section 9704(e)  
6 of the Internal Revenue Code of 1986 (relating to short-  
7 falls and surpluses) is amended to read as follows:

1           “(3) SHORTFALLS AND SURPLUSES.—

2                   “(A) DETERMINATIONS.—

3                           “(i) IN GENERAL.—Subject to the  
4                           provisions of clause (iv), the trustees of the  
5                           Combined Fund shall, as of the close of  
6                           each plan year beginning on or after Octo-  
7                           ber 1, 1993—

8                                   “(I) determine any shortfall or  
9                                   surplus in any premium account es-  
10                                  tablished under paragraph (1) and, to  
11                                  the maximum extent possible, reduce  
12                                  or eliminate any shortfall in any such  
13                                  account by transferring amounts to it  
14                                  from any surplus in any other such  
15                                  account, and

16                                   “(II) determine, after any trans-  
17                                  fers under subclause (I), the aggre-  
18                                  gate shortfall or surplus in the Com-  
19                                  bined Fund, taking into account all  
20                                  receipts of any kind during the plan  
21                                  year from all sources.

22                                   “(ii) DETERMINATIONS MADE ON  
23                                  CASH FLOW BASIS.—

24                                   “(I) IN GENERAL.—Subject to  
25                                  the provisions of subclause (II) and

1 clause (iii), any determination under  
2 clause (i) for any plan year shall be  
3 determined under the cash receipts  
4 and disbursements method of account-  
5 ing, taking into account only receipts  
6 and disbursements for the plan year.

7 “(II) CERTAIN PRIOR YEAR SUR-  
8 PLUSES.—For purposes of applying  
9 subclause (I) for any plan year, any  
10 surplus determined under subpara-  
11 graph (A)(i)(II) as of the close of the  
12 preceding plan year, including any  
13 portion used as provided in subpara-  
14 graph (B), shall be treated as received  
15 in the Combined Fund as of the be-  
16 ginning of the plan year.

17 “(iii) DISREGARD OF TRANSFERRED  
18 AMOUNTS.—For purposes of this subpara-  
19 graph—

20 “(I) no amount transferred to  
21 the Combined Fund under section  
22 9705, and no disbursements made  
23 from such amount, shall be taken into  
24 account in making any determination  
25 under subparagraph (A) for the plan

1 year of the transfer or any subsequent  
2 plan year, and

3 “(II) any amount in a premium  
4 account which was transferred to the  
5 Combined Fund under section 9705  
6 may not be transferred to another ac-  
7 count under clause (i)(I).

8 “(iv) SPECIAL RULE FOR 1994.—In  
9 the case of the plan year ending September  
10 30, 1994, the determinations under sub-  
11 paragraph (A) shall be made for the period  
12 beginning February 1, 1993, and ending  
13 September 30, 1994.

14 “(B) TREATMENT OF SURPLUS.—

15 “(i) NONPREMIUM ADJUSTMENTS.—  
16 Any surplus determined under subpara-  
17 graph (A)(i)(II) for any plan year shall be  
18 used first for purposes of the carryover  
19 under section 9703(b)(2)(C), but only to  
20 the extent the amount of such carryover  
21 does not exceed 10 percent of the benefits  
22 and administrative costs paid by the Com-  
23 bined Fund during the plan year (deter-  
24 mined without regard to benefits paid from  
25 transfers under section 9705).

1           “(ii) PREMIUM ADJUSTMENTS.—The  
2           annual premium for any plan year for each  
3           assigned operator which is not a 1988  
4           agreement operator shall be reduced by an  
5           amount which bears the same ratio to the  
6           surplus determined under subparagraph  
7           (A)(i)(II) for the preceding plan year (re-  
8           duced as provided under clause (i)) as—

9                   “(I) such assigned operator’s ap-  
10                  plicable percentage (expressed as a  
11                  whole number), bears to

12                   “(II) the sum of the applicable  
13                  percentages (expressed as whole num-  
14                  bers) of all assigned operators which  
15                  are not 1988 agreement operators.

16           The reduction in any annual premium  
17           under this clause shall be allocated to the  
18           premium accounts established under para-  
19           graph (1) in the same manner as the an-  
20           nual premium would have been allocated  
21           without regard to this clause, and in the  
22           case of assigned operators which sought  
23           protection under title 11 of the United  
24           States Code before October 24, 1992, with-  
25           out regard to section 9706(b)(1)(A).

1           “(C) SHORTFALLS.—If a shortfall is deter-  
2           mined under subparagraph (A)(i)(II) for any  
3           plan year, the annual premium for each as-  
4           signed operator shall be increased by an  
5           amount equal to such assigned operator’s appli-  
6           cable percentage of the shortfall. Any increase  
7           under this subparagraph shall be allocated to  
8           each premium account with a shortfall.

9           “(D) NO AUTHORITY FOR INCREASE.—  
10          Nothing in this paragraph shall be construed to  
11          allow expenditures for health care benefits in  
12          any plan year in excess of the limit under sec-  
13          tion 9703(b)(2).

14          “(E) SPECIAL RULE FOR 1995.—In the  
15          case of the plan year beginning October 1,  
16          1994, the adjustment under subparagraph (B)  
17          shall be made effective as of such date and any  
18          assigned operator which receives a reduction in  
19          premiums under subparagraph (B) shall be en-  
20          titled to a credit to the extent it has paid, tak-  
21          ing the reduction into account, excessive pre-  
22          miums during plan year.”

23          (b) AMOUNT OF PER BENEFICIARY PREMIUM.—  
24          Paragraph (2) of section 9704(b) of the Internal Revenue

1 Code of 1986 (defining per beneficiary premium) is  
2 amended—

3 (1) by striking subparagraph (A) and inserting:

4 “(A) \$2,116.67, plus”, and

5 (2) by striking “the amount determined under  
6 subparagraph (A)” in subparagraph (B) and insert-  
7 ing “\$2,116.67,”.

8 (c) CONFORMING AMENDMENT.—Clause (ii) of sec-  
9 tion 9703(b)(2)(A) of the Internal Revenue Code of 1986  
10 is amended by inserting “(without regard to any reduction  
11 under section 9704(e)(3)(B)(ii))” after “for the plan  
12 year”.

13 **SEC. 2. DISCLOSURE REQUIREMENTS.**

14 (a) IN GENERAL.—Section 9704(h) of the Internal  
15 Revenue Code of 1986 (relating to information) is amend-  
16 ed by adding at the end the following new paragraph:

17 “(2) INFORMATION TO CONTRIBUTORS.—

18 “(A) IN GENERAL.—The trustees of the  
19 Combined Fund shall, within 30 days of a writ-  
20 ten request, make available to any person re-  
21 quired to make contributions to the Combined  
22 Fund or their agent—

23 “(i) all documents which reflect its fi-  
24 nancial and operational status, including  
25 documents under which it is operated, and

1           “(ii) all documents prepared at the re-  
2           quest of the trustees or staff of the Com-  
3           bined Fund which form the basis for any  
4           of its actions or reports, including the eli-  
5           gibility of participants in predecessor  
6           plans.

7           “(B) FEES.—The trustees may charge rea-  
8           sonable fees (not in excess of actual expenses)  
9           for providing documents under this paragraph.”

10          (b) CONFORMING AMENDMENT.—Section 9704(h) of  
11 the Internal Revenue Code of 1986 is amended by striking  
12 “(h) INFORMATION.—The” and inserting:

13          “(h) INFORMATION.—

14               “(1) INFORMATION TO SECRETARY.—The”.

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