

# When "More Taxes" Doesn't Work

## THE BLACK LUNG DISABILITY TRUST FUND

In addition to paying their own employees' claims, coal companies have paid more than \$22 billion into the Black Lung Disability Trust Fund, more than covering the \$17.4 billion in claims paid by the fund since 1977. Despite billions in excess payments, the government wants more. Current program administrative costs absorb an astounding 1 in 3 program dollars. And payments on \$6 billion in debt that the program was saddled with at inception continue to rob the fund of much-needed dollars. The number of fund beneficiaries has dropped 85% while administrative costs/claim have climbed 1,200%.

### **Miners who qualify for benefits deserve**

**coverage – and are receiving it.** Industry is committed to ensuring that all miners who suffer from black lung receive the benefits they deserve, and it is already paying in multiple ways to ensure that happens.

Created by Congress in 1977, the Black Lung Disability Trust Fund (BLDTF) is funded by an excise tax that is levied on every ton of coal production used domestically to pay the cost of claims when no last responsible mine operator could be identified.

### **Along with the excise tax, and separate from the fund, each operator of a coal mine is responsible for paying benefits to its miners.**

When a claim for benefits is approved, it is paid by the responsible operator, which is generally the last coal operator to employ the miner.

**Even at 2019 tax levels, revenues were sufficient to cover benefits.** In 1978, Congress directed the reconsideration of all previously-denied claims under new liberalized eligibility criteria. This resulted in more than 23,000 previously-denied claims becoming the responsibility of the trust fund, kicking-off the program with a significant deficit.

**Legacy debt—created by a change in government policies—has been the reason borrowing was necessary and continues today.** In February 2020, the Department of Labor testified before Congress that the fund has never been effectively managed and, "During the first six years of the Trust Fund's existence, 106,737 beneficiaries were added to and paid by the Trust Fund, and in the following 36 years a total of only 10,913 new beneficiaries were added... (SKIP) ...defaults, while significant, are not the major driver of Trust Fund debt."



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### **Coal companies pay:**

**(1) the excise tax that funds the Black Lung Disability Trust Fund, which pays orphan benefit claims and (2) direct payments for their own employees.**

**Raising taxes now on the industry at a time when it is working to stabilize will only increase the stress on coal companies, potentially causing more failures and further increasing the burden on the fund.**

**Today, the number of claimants is far smaller than when the program began.** In 1986, there were approximately 100,000 Part C Trust Fund beneficiaries; there are now less than 26,000.