

**YOUR BENEFITS IN RETIREMENT
FOR FULL-TIME EMPLOYEES**

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INTRODUCTION

Upon your retirement from the company, many changes take place in the benefit package provided to you as a retiree. The retiree benefit program is designed to provide you with income after you retire from active employment and to help you and your family maintain financial security during your retirement years.

ELIGIBILITY

To qualify for retiree benefits you must elect early immediate retirement or normal retirement when you terminate from active full-time employment. If you terminate your employment with the company for any reason, including layoff, and you are not able to retire, or elect not to retire, you will not be eligible for retiree benefits.

In order to retire when your active employment terminates, you must be at least 55 years old and have the following service:

Termination Age: 55 - 64	- 10 years service
Termination Age: 65	- 1 year service

COST OF COVERAGE

Coverage under the Retiree Benefit Program is provided to you and your eligible dependents at no cost. The company pays the full cost of this benefit.

HOW TO ENROLL FOR COVERAGE

Before your employment is terminated, you should talk with your Human Resources Representative about your eligibility for Retiree Benefits and the timing of when they will commence.

RETIREE MEDICAL COVERAGE

If you are eligible, retiree medical coverage will commence on the day following your termination of active employment. Retiree medical coverage is the same medical coverage provided to you as an active employee with the following modifications:

- Coverage under the Dental Benefit Plan will cease your last day of active employment.
- Coverage under the Vision Care Plan will cease your last day of active employment.
- When you or any of your dependents become eligible for Medicare, Medicare will be the primary insurer and the Arch plan will provide secondary coverage.

If you or your eligible dependent do not apply for Medicare when you become eligible, the plan will not pay amounts which Medicare would have paid had you or your dependent been properly enrolled.

Please see the Health Care Plan section of the summary plan description for additional information about the medical plan.

NOTE: The company expects to continue the Plan but reserves the right to terminate or amend it at any time.

RETIREE LIFE INSURANCE

If you are eligible, retiree life insurance coverage will commence on the day following your termination of active employment.

The amount of your Retiree Life Insurance benefit will be \$10,000.

All other coverage under the Group Life, AD&D and Dependent Life Plan will cease upon your termination of active employment.

Please see the Life Insurance Plan Section of the Summary Plan Description for further information about how to file for benefits.

NOTE: The company expects to continue the Plan but reserves the right to terminate or amend it at any time.

TERMINATION OF OTHER EMPLOYEE BENEFITS

The following benefits are terminated upon your retirement.

- Dental Benefit Plan for you and your dependents.
- Vision Care Plan for you and your dependents.
- Accidental Death and Dismemberment Insurance.
- Dependent Life Insurance.
- Travel Accident Insurance.
- Short Term and Long Term Disability coverages.
- Individual and Company contributions to the Arch Mineral Corporation Thrift Plan. See the Thrift Plan section of this guide for information about the plan and how your benefits earned will be distributed.
- Retirement Plan service credits. See the Retirement Plan section of this guide for information about the plan.

- Educational Reimbursement Plan Benefits.
- Severance Pay Benefits.
- Paid Vacation and Holiday Pay.

CLAIMS DENIAL AND APPEAL PROCEDURE

Payment or denial of an application for Retiree benefits will be made within 90 days from the date a claim is filed.

If an application for these benefits is denied either in whole or in part, you will receive written notification. The notification will include the reason(s) for the denial with reference to the specific plan provisions on which the denial was based, a description of any additional information that might cause Arch or the insurance carrier to reconsider the decision and an explanation of the claim review procedure.

Within 60 days after receiving the denial (or if no notice is received within 150 days after filing a claim), you, your beneficiary, or a legally authorized representative may then submit a written request to the Plan Administrator for a review of the decision. Requests should be directed to:

Arch Mineral Corporation
Director - Compensation and Benefits
CityPlace One
CityPlace Drive
St. Louis, MO 63141

Any such request should be accompanied by documents or records in support of the appeal. Your beneficiary may review all pertinent documents and submit issues and comments in writing.

The Plan Administrator will review the claim and within 90 days (or 120 days in special circumstances) will provide a written response to the appeal explaining the reasons for the decision with specific reference to the Plan provisions on which the decision was based.

The Plan Administrator shall possess and exercise discretionary authority to make determinations as to a Participant's eligibility for benefits and to construe the terms of the Plan. The decision of the Plan Administrator shall be final and non-reviewable unless found to be arbitrary and capricious by a court of competent review. Such decision will be binding upon the Employer and the Claimant.