

## MEBA PENSION TRUST NOTICE

TO: ALL PENSIONERS

FROM: MEBA PENSION TRUST ("PLAN")

SUBJ: **CLARIFICATION OF ALL PENSIONERS' RIGHTS TO RETURN TO EMPLOYMENT IN THE MARITIME INDUSTRY**

This Notice is to clarify your rights as pensioners to return to employment in the maritime industry, subject to the penalties as defined in the MEBA Pension Trust Regulations.

### 1. THE PENSION TRUST

The Pension Trust provides the following advice to all pensioners regarding their rights to return to employment in the maritime industry. YOU MAY WORK AFTER YOU RETIRE; HOWEVER, IF YOU ENGAGE IN CERTAIN TYPES OF WORK, YOU WILL BE SUBJECT TO PENALTIES. The purpose of this Notice is to describe the types of work that could result in penalties and the penalties involved.

### 2. TYPES OF WORK

#### (a) NON-MARITIME EMPLOYMENT

You may engage in any non-maritime employment without penalty after you retire. That is, you may engage in non-maritime employment and collect your pension while you are working. While you are working, you will continue to be eligible for medical coverage through the MEBA Medical and Benefits Plan, if you elected to participate in the MEBA Medical and Benefits Plan. However, if your employer provides you with medical insurance or if you are eligible to receive Medicare benefits, the MEBA Medical Plan will be your secondary (or tertiary) insurance carrier.

#### (b) MARITIME EMPLOYMENT

If you engage in the following types of Maritime Employment, you may be penalized:

1. Covered Employment under the Plan
2. Work aboard a vessel. Work aboard a vessel will **not** result in

penalties if it is:

- (A) work aboard a fishing or touring boat, pilot launch, yacht, or charter hire, any of which must be under 70 feet in length; or
  - (B) work aboard an historic vessel run by a non-profit organization; or
  - (C) non-profit ships that provide humanitarian assistance; or
  - (D) work aboard an educational institution's vessel that operates for the express purpose of training cadets who are pursuing a course of study leading to a U.S. Coast Guard license as a deck or engineering officer, or
3. If any of your pension credits are based on employment as a Port Engineer, Port Electrician or Hull Inspector, you may be penalized if you work in the maritime industry in a job that involves a Licensed Officer's knowledge or expertise, including but not limited to, knowledge or expertise in construction, repair, operational or maintenance activities. However, work (that is not in Covered Employment or aboard a vessel) is considered Maritime Employment only if such work is performed during your "restricted period". Your "restricted period" starts on your Effective Date of Pension and lasts for a number of days equal to the number of days for which you earned Pension Credit in employment as a port engineer, port electrician or hull inspector. Work performed during the remainder of the month in which your "restricted period" ends is considered work performed *during* the "restricted period".
4. In the case of a Pensioner who has earned less than 365 days of pension credit in employment as a port engineer, port electrician or hull inspector, such employment shall not count towards the pensioner's restricted period provided such work is performed with an Employer as defined in Article I, Section 1.09.

3. **WORK IN THE MARITIME INDUSTRY WITHOUT PENALTY**

- You may return to Covered Employment aboard a vessel without any penalties if the vessel cannot sail due to a shortage of personnel and all of the following conditions exist:
  - (a) The Union and the Employer determine that the vessel cannot sail due to a shortage of personnel and a Pensioner is the only Licensed Officer available; and

- (b) You notify the Trustees in writing and receive the permission of the Trustees to return to work.

If the above conditions are fulfilled, you may work on such vessel without any penalty for a period not to exceed 90 days or the length of the voyage, if longer. However, the Trustees may grant an extension of the 90-day work period.

- You may return to night relief employment if a night relief position cannot be filled due to a shortage of personnel and all of the following conditions exist:
  - (a) The Union determines that a night relief position cannot be filled due to a shortage of personnel; and
  - (b) You notify the Trustees in writing and receive the permission of the Trustees to return to work.

If the above conditions are fulfilled, you may work in night relief employment without any penalty. You will be permitted to work for the period specified by the Trustees.

4. **WORK IN THE EVENT OF SHORTAGE CAUSED BY WAR OR NATIONAL EMERGENCY**

You may return to Covered Employment, if there is a shortage of Licensed Officers caused by war or national emergency and you notify the Trustees in writing and receive the Trustees' permission prior to return to such work. If these conditions exist, your pension benefits will be suspended during the months you are employed (for pensioners who return to Covered Employment after reaching age 65, pension benefits will be suspended for any month during which you work at least 5 days). Your pension will resume on the first of month following the month in which you stop working. You will continue to be covered for Medical benefits through the MEBA Medical and Benefits Plan while you are working, provided that you have elected to participate in the MEBA Medical and Benefits Plan as a pensioner.

5. **WORK IN THE MARITIME INDUSTRY WITH PENALTIES**

If you return to Maritime Employment, work aboard a vessel, or work in other maritime employment during a personnel shortage and you do not notify the Trustees and receive the Trustees' permission for such work, or if you work in Maritime Employment during periods other than periods of personnel shortages, you will incur the following penalties:

- (a) if you are receiving a monthly pension from the Plan, your pension benefits will be suspended during the months you are working (for pensioners who return to maritime employment after reaching age 65, pension benefits will be suspended for any month during which you work at least five days); or
  - (b) if you received your pension in the form of a Lump Sum Distribution, you will be required to pay back the Lump Sum Distribution to the Plan and you will not be eligible to receive a Lump Sum Distribution in the future; i.e., when you stop work, your pension will be paid to you as a monthly annuity; and
  - (c) prior to normal retirement age, your pension benefits will be suspended for six additional months after you stop working, unless you apply to the Trustees for a waiver of this penalty because of extenuating circumstances; and
  - (d) you will lose all eligibility for medical benefits for yourself and your dependents under the MEBA Medical and Benefits Plan. Your medical coverage will be terminated and will not be reinstated at a later date.
6. Regardless of the conditions under which you return to Maritime Employment, you will not accrue additional pension credit while you are working.
  7. Subject to the penalties discussed above, THE DENIAL OF PERMISSION TO RETURN TO EMPLOYMENT WITHOUT PENALTY BY THE TRUSTEES DOES NOT PRECLUDE YOU FROM SEEKING REEMPLOYMENT IN THE MARITIME INDUSTRY. All pensioners who return to Maritime Employment must promptly notify the Pension Plan Administrator of such employment at the Plan's office: Mr. Allen R. Szymczak, Administrator, MEBA Pension Trust, 1007 Eastern Avenue, Baltimore, MD 21202, (410) 547-9111.
  8. According to the Pension Trust Regulations, you have the right to request and obtain from the Trust your seaman's papers if the Trust has retained such papers. However, you should be aware that the return of your seaman's papers will be deemed to be a return to Covered Employment without the Trustees' permission and you will be subject to the penalties outlined in Paragraph 5 of this notice.
  9. Any discrepancy between this Notice and the Pension Regulations will be resolved in accordance with the Regulations.

## **Active Coverage Under the MEBA Medical and Benefits Plan**

If you are reemployed with the permission of the Trustees as described above and you work in Covered Employment for at least 60 days within a 6-month period, you and your dependents will become entitled to active-level benefits under the MEBA Medical and Benefits Plan. Such active coverage will remain in effect only while you are on the vessel, and will terminate immediately upon your departure from the vessel. If you participated in the Medical Plan as a pensioner before regaining active-level coverage, your pensioner coverage will resume. If you did not participate as a pensioner before regaining active-level coverage, all of your Medical Plan benefits will cease when you leave the vessel.

If you have a question about whether work in a particular job would result in penalty to you, please write to the MEBA Pension Trust before you engage in the work. Please send a job description from your prospective employer, along with your letter and give us as much detail as you can regarding the job.

Your rights can be determined only by referring to these official documents, which are available for your inspection as described in the Administrative Information of your MEBA Pension Trust Summary Plan Description. Please note that nobody other than the Board of Trustees has any authority to interpret the Pension Regulations (or other official Pension Trust documents).