

MEBA PENSION TRUST REGULATIONS

**DEFINED BENEFIT PLAN**

Originally Effective: December 13, 1955

Amended and Restated: January 1, 2015

**(Amended and Consolidated through Amendment No. 20-1)**

**06/25/20**

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## MEBA PENSION TRUST REGULATIONS

### PREAMBLE

#### Plan Establishment and Amendments

The MEBA Pension Trust was originally established on December 13, 1955 pursuant to the Agreement and Declaration of Trust Establishing the MEBA Pension Plan (the "Trust Agreement") and in accordance with the provisions of the Agreement and Declaration of Trust establishing the MEBA Pension and Welfare Plan made as of August 1, 1950 by and between the National Marine Engineers' Beneficial Association, AFL CIO ("NMEBA") and various Employers of Licensed Officers for whom NMEBA was then the collective bargaining representative, and other Employer signatories to the aforesaid Trust Agreement. The MEBA Pension Trust provides retirement benefits to Licensed Officers covered thereunder and to port engineers, port electricians and hull inspectors for whom Employers agree to make contributions to the MEBA Pension Trust, and certain other Employees as defined hereinafter.

These Regulations were amended and consolidated on November 18, 1976 to comply with the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Internal Revenue Code of 1954, as amended.

Effective January 1, 1985, these Regulations were amended and restated to comply with the applicable provisions of the Tax Equity and Fiscal Responsibility Act of 1982, the Deficit Reduction Act of 1984, and the Retirement Equity Act of 1984, and other applicable rules and regulations under ERISA and the Internal Revenue Code of 1954, as amended.

Effective January 1, 1989, except as otherwise specifically provided herein, these Regulations were hereby amended and restated in their entirety to comply with the Tax Reform Act of 1986 and subsequent changes in federal law and the regulations issued thereunder.

Effective October 1, 2001, these Regulations were hereby amended and restated in their entirety to comply with the Uruguay Round Agreements Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998, and the Community Renewal Tax Relief Act of 2000 and subsequent changes in federal law and the regulations issued thereunder.

Effective October 24, 2012, these Regulations were hereby amended and restated in their entirety to (i) move the terms and conditions of the Money Purchase Benefits to a separate written document and (ii) reflect the terms of the proposed restatement to the Regulations approved by the Internal Revenue Service in its determination letter dated August 23, 2012 as compliant with the Economic Growth and Tax Relief Reconciliation Act of 2001, the Pension Funding Equity Act of 2004, the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the Worker, Retiree and Employer Recovery Act of 2008.

Effective January 1, 2015, these Regulations are hereby again amended and restated to incorporate one Plan amendment adopted since the last amendment and restatement, to reflect the merger of the MEBA Inland Plan into and with the Plan as described on the next page, and to make other clerical and technical changes.

**Except as otherwise specifically provided herein, or as otherwise required by law, the rights, benefits and obligations of Employees who do not have an hour of Covered Employment under the Plan on or after January 1, 2015, shall be determined under the terms and conditions of these Regulations as in effect prior to this restatement.**

#### Money Purchase Benefits

Effective June 16, 1978, Money Purchase Benefits were established within the Regulations for Employers who agreed to make contributions to provide Money Purchase Benefits pursuant to collective bargaining agreements with the NMEBA.



Effective January 1, 2000, the Money Purchase Benefit Plan was treated as a separate plan within these Regulations, as requested by the Internal Revenue Service.

Effective October 24, 2012, these Regulations were amended and restated to set forth the terms and conditions of Money Purchase Benefits in a written document separate from these Regulations.

### **Mergers**

Effective August 1, 1978, the Radio Officers' Union Pension Plan (the "ROU Pension Plan") merged into the MEBA Pension Trust, and effective as of January 1, 1982, the rights, benefits and obligations of Licensed Radio Officers who are former participants of the ROU Pension Plan became subject to the terms and conditions of these Regulations, as amended from time to time. Prior to January 1, 1982, the rights, benefits and obligations of Licensed Radio Officers are determined in accordance with the applicable provisions of these Regulations as in effect at such time and the regulations of the ROU Pension Plan in effect on July 31, 1978.

Effective October 16, 1981, the Pension Plan of the Brotherhood of Marine Officers (the "BMO Pension Plan") merged into the MEBA Pension Trust. Effective January 1, 1982, the rights, benefits and obligations of former members of the Brotherhood of Marine Officers, who are Employees covered under the MEBA Pension Trust on or after such date, became subject to the terms of these Regulations, as amended from time to time, and the terms of the Agreement of Merger. The rights, benefits and obligations of such Employees prior to January 1, 1982 are determined in accordance with the regulations of the BMO Pension Plan in effect on October 15, 1981, and the terms of the Agreement of Merger.

Effective November 30, 2000, the MEBA Towboat Operators Pension Plan, as amended (the "Towboat Operators Plan") merged into the MEBA Pension Trust. The rights, benefits and obligations of former participants in the Towboat Operators Plan and Towboat Employees, as defined in Appendix F, who participate in the MEBA Pension Plan after the merger became subject to the terms and conditions of these Regulations and are to be determined solely and exclusively under Appendix F of these Regulations, as from time to time amended. Except as specifically provided in Appendix F, no person covered under Appendix F shall accrue any benefit under any other provision of the Regulations.

Effective December 31, 2002, certain assets and liabilities relating to the MEBA Inland Pension Plan as amended (the "Staff Plan") were transferred from the Staff Plan to the MEBA Pension Trust. The rights, benefits and obligations of Staff Plan Participants, as defined in Appendix H, who participate in the MEBA Pension Plan after December 31, 2002, became subject to the terms and conditions of these Regulations and are to be determined solely and exclusively under Appendix H of these Regulations, as from time to time amended. Except as specifically provided in Appendix H, no person covered under Appendix H shall accrue any benefit under any other provision of the Regulations. In no event shall any Staff Plan Participant accrue duplicate benefits for any period of service.

Effective December 31, 2013, the Staff Plan was merged with and into the MEBA Pension Trust. The Staff Plan was frozen as of January 1, 2003. The rights, benefits and obligations of individuals eligible for benefits under the frozen Staff Plan shall be determined in accordance with the terms of the frozen Staff Plan set forth at Appendix K.

**ARTICLE I**  
**DEFINITIONS**

The following terms are used throughout the Plan. Terms used in a single appendix are generally defined in that appendix.

**1.01 ACTUARIAL EQUIVALENT**

- (a) The term “Actuarial Equivalent” shall mean a form of benefit differing in time, period or manner of payment from a specific benefit provided under the Plan but having the same value when computed using the significant actuarial assumptions of life expectancy under the Group Annuity Table for 1971 and interest rate of 5%, unless an alternative rate is specified in another provision of these Regulations, for use hereunder. Notwithstanding any other provision of these Regulations for purposes of determining whether the present value of any benefit payable under the Plan exceeds \$1,000 and for purposes of determining the amount of any lump sum distribution of such benefit, such present value shall be no less than the value of the benefit using the “applicable interest rate” and the “applicable mortality table”.
- (b) The applicable interest rate for any Plan Year is the interest rate specified by the Internal Revenue Service for purposes of Code Section 417(e)(3)(A)(ii)(II) for the “lookback month.” The lookback month is the August preceding the first day of the Plan Year.
- (c) The applicable mortality table is the table prescribed by the Internal Revenue Service for purposes of Code Section 417(e)(3)(A)(ii)(I). Notwithstanding any other provisions of these Regulations, effective for distributions with annuity starting dates on or after December 31, 2002, the applicable mortality table used for purposes of adjusting any benefit or limitation under Code Section 415(b)(2)(B), (C) or (D) and the applicable mortality table used for purposes of satisfying the requirements of Code Section 417(e) is the table prescribed in Rev. Rul. 2001-62.
- (d) Any provision of Section 6.04 (relating to the calculation of Lump Sum Distributions) which subjects the amount of the Lump Sum to the provisions of this Section 1.01 or which specifies that the interest rate assumption shall be the lesser of 11% or the rate determined under this Section 1.01, will be applied so that the amount of the Lump Sum Distribution will not be less than the amount determined using the applicable interest rate and the applicable mortality table in Code Section 417(e)(3).
- (e) For purposes of Section 11.01(b) (relating to maximum benefits under Code Section 415), the applicable interest rate and the applicable mortality table will be used for making Actuarial Equivalent adjustments. Effective on and after January 1, 2000, Section 11.01(b) will be applied to benefits accrued before January 1, 2000, in accordance with Transition Rule Method 3 under Q & A-14 Revenue Ruling 98-1.
- (f) For distributions subject to Code Section 417(e)(3) and Section 6.04 with an Effective Date of Pension occurring on or after January 1, 2008:
  - (1) the applicable mortality table shall mean the applicable mortality table prescribed under Code Section 417(e)(3)(B); and
  - (2) the applicable interest rate shall mean the interest rate prescribed under Code Section 417(e)(3)(C).
- (g) For distributions with an Effective Date of Pension occurring on or after January 1, 2011, the applicable interest rate shall mean the “first, second, and third segment rates,” within the meaning

of Code Section 417(e)(3)(D), with each separate segment rate determined using the lookback month specified in subsection (b), above.

**1.02 APPLICABLE 2012 EFFECTIVE DATE**

The term “Applicable 2012 Effective Date” shall mean the date set forth in Appendix J as to when Article II-B Pension applies to an Employee.

**1.03 ARTICLE II PENSION**

The term “Article II Pension” shall mean the Pension available to Employees who did not earn sufficient Pension Credit on or after June 16, 1965 to be eligible for an Article II-A Pension and Employees who worked for Employers that were not obligated to make the contributions necessary to provide an Article II-A Pension. Appendix B contains the terms and conditions applicable to an Article II Pension.

**1.04 ARTICLE II-A PENSION**

The term “Article II-A Pension” shall mean the Pension available to Employees who were employed on or after June 15, 1965 by Employers who were obligated or agreed to make the contributions necessary to provide an Article II-A Pension.

**1.05 ARTICLE II-B PENSION**

The term “Article II-B Pension” shall mean the Pension available to Employees who were employed on or after the Applicable 2012 Effective Date by Employers who were obligated or agreed to make the contributions necessary to provide an Article II-B Pension.

**1.06 ASSOCIATION**

The term “Association” shall mean the National Marine Engineers Beneficial Association, AFL-CIO.

**1.07 BASE MONTHLY WAGES**

The term “Base Monthly Wages” shall mean the following computation and treatment of wages:

- (a) Computation. Base monthly wages shall be computed as follows:
  - (1) The base monthly wages shall be the base monthly wages as set forth in the applicable collective bargaining agreements, including additional compensation such as for work on automated vessels, diesel vessels and twin screw vessels and that portion of converted overtime that is deemed to be straight time earnings, excluding any portion that is deemed to be non watch compensation.
  - (2) For Covered Employment that is not performed under a collective bargaining agreement, the base monthly wages shall be the basic amount of salary or wages actually paid to the Employee for such Covered Employment, excluding overtime, bonuses, commissions and any other form of additional compensation.
  - (3) Base monthly wages shall not include:
    - (A) overtime earnings, and for Article II-B Pension, in lieu of overtime supplements;
    - (B) non watch compensation, unless the collective bargaining agreement expressly includes such compensation in the base monthly wages;

- (C) war bonuses;
  - (D) for Article II-B Pension, an additional 10% of base wages to equal 110% of base wages earned on or after June 16, 1999;
  - (E) for Article II-B Pension, salary reductions under Code Section 125 (i.e., cafeteria plan or EDCP payments); and
  - (F) for Article II-B Pension, any other enhancements to base wages included in Pay under Section 1.26 and added after calendar year 1999 not otherwise specifically included in this Section 1.07.
- (4) **For Article II-A Pension**, vacation benefits shall be included in base monthly wages as follows: if the designated five year period (three-year period for Section 2A.02(d) Schedule of Pension Benefits) does not show 60 full months (36 full months for Section 2A.02(d) Schedule of Pension Benefits) of base monthly wages, vacation benefits received for vacation periods which fall within the five year period (three-year period for Section 2A.02(d) Schedule of Pension Benefits) shall be included to complete a total of 60 full months (36 full months for Section 2A.02(d) Schedule of Pension Benefits) of base monthly wages. **For Article II-B Pension**, vacation benefits shall be included in base monthly wages if the designated ten-year period does not show 120 full months of base monthly wages, vacation benefits received for vacation periods which fall with the ten-year period shall be included to complete a total of 120 full months of base monthly wages.
  - (5) Earnings for night relief work shall not exceed eight hours times the applicable hourly rate for any one calendar day.
  - (6) With respect to the time off allowance for chief engineers for performing work in port during overtime hours, where the chief engineer takes such time off with pay, the earnings so received shall be included as part of his base monthly wages.
  - (7) Base monthly wages received by an Employee shall be applied to the period of employment for which the wages are earned, regardless of when the wages may in fact be paid or received. However, for Article II-B Pension, vacation pension wages received by an Employee shall be applied to the period for which the vacation is taken (regardless of when such wages were earned or paid).
  - (8) Base monthly wages shall be determined without regard to any election by an Employee to make salary reduction contributions to a qualified cash-or-deferred arrangement under Code Section 401(k).
  - (9) Base monthly wages shall include the training allowance received by an Employee in accordance with the MEBA Training Plan Regulations for days of attendance at the MEBA Engineering School on or after August 1, 1994.
  - (10) Base monthly wages include severance pay for which an Employee receives Pension Credit under Section 1.12(e).
  - (11) For Article II-A Pension, with respect to wages earned on or after June 16, 1999, base monthly wages shall include 100% of the base wages earned as a chief engineer or master and 110% of all other base wages.
  - (12) Effective January 1, 2009, base monthly wages shall include military differential pay as defined in Code Section 3401(h)(2).

- (b) Disability Periods. If within the applicable ten, five or three year period, certain periods are devoid of base monthly wages because of “disability,” the following shall apply:
- (1) an Employee is “disabled” if he is “unfit for duty” and is receiving disability benefits under the MEBA Medical and Benefits Plan, a State disability Plan, the ROU Benefits Plan, or pursuant to a collective bargaining agreement;
  - (2) available vacation benefits received for vacation periods which fall within the ten, five or three year period shall be utilized to complete the necessary total full months of base monthly wages;
  - (3) if there still remains less than the required number of full months of base monthly wages, subject to the limitation set forth in paragraph (4) below, the base wages for the months in which the wages have occurred shall be divided by the actual number of months rather than the required 120, 60 or 36 to determine the applicable average base monthly wages; and
  - (4) periods of disability during which no wages were received and thus will not be included in the computation as provided above, cannot be for less than 30 days or more than 360 days. In situations where the total number of such disability days includes a partial month, the full month shall be excluded if there are more than 15 disability days.

#### **1.08 BENEFICIARY**

The term “Beneficiary” shall mean a person designated by an Employee pursuant to Section 8.05, or by the terms of these Regulations, who is or may become entitled to a benefit hereunder following the Employee’s death.

#### **1.09 BMO**

The term “BMO” shall mean the former Brotherhood of Marine Officers, District No. 1 Pacific Coast.

#### **1.10 BREAK IN SERVICE**

The term “Break in Service” shall mean a calendar year in which an Employee has less than 63 Days of Service.

- (a) An Employee shall be allowed a grace period, which shall not be counted toward a Break in Service under Section 3.05 if his absence from Covered Employment is due to:
- (1) Disability from work as an Employee. This grace period is to consist of up to six calendar quarters for which the Employee failed to earn Pension Credit because of such absence. The Trustees shall be the sole and final judges of disability and entitlement to this grace period. In order to receive the benefit of this provision for more than two calendar quarters, the Employee must make written application to the Trustees. In order to receive credit for a particular quarter as a grace period, the application, if required, must be filed within one year after that quarter, unless the Trustees, in their sole discretion, determine that extenuating circumstances prevented the Employee from making timely application.
  - (2) Any period when an Employee is hospitalized in a recognized hospital.
  - (3) Any period when an Employee is employed aboard a vessel operated by the MSTs or any other governmental agency that recognizes or has a bargaining relationship with the Association or any of its subordinate bodies.

- (4) Any period when an Employee is absent from work due to military leave while the Employee's reemployment rights are protected by law, or such additional or other periods granted by the Employer as military leave, provided the Employee returns to employment within ninety (90) days after discharge from such service or such longer period of time as his reemployment rights are protected by law.
  - (5) Any period when an Employee is absent from work by reason of the pregnancy of the Employee or the Employee's spouse, the birth of an Employee's child or the placement of a child, with the Employee in connection with the adoption of such child by such individual, or the care of such Employee's child for a period beginning immediately following such birth or placement.
- (b) Other
- (1) Except as otherwise provided in this subsection, an Employee shall incur a Break in Service and forfeit his accumulated Pension Credit for periods prior to January 1, 1976 if he fails to have 180 days of Covered Employment within a period of five consecutive calendar years beginning after June 15, 1962. The period of time during which the Employee is covered under a retirement and severance plan established by the National Marine Engineers' Beneficial Association shall be deemed to be Covered Employment for purposes of this subsection.
  - (2) If a Licensed Officer has a Break in Service under paragraph (1) above prior to January 1, 1976, the Break in Service will be waived and the previously forfeited Pension Credit will be reinstated if, excluding the Break in Service, he had at least 15 years of Pension Credit in any 25 consecutive calendar years after 1950, or 20 years of Pension Credit in any 30 consecutive calendar years after 1950, or 25 years of Pension Credit in any 35 consecutive calendar years after 1950, and he had not Retired prior to June 16, 1978.
- (c) With respect to a Break in Service that begins on or after January 1, 1976 (Licensed Marine Officers), or January 1, 1982 (Licensed Radio Officers and former BMO members), a nonvested Employee who incurs a period of consecutive Breaks in Service that, as of no later than December 31, 1986, equals or exceeds the Years of Vesting Credit earned prior to such period shall forfeit the Years of Vesting Credit with respect to his Pension and Pension Credit earned prior to such period.
- (d) With respect to a Break in Service that begins on or after January 1, 1987, and with respect to Breaks in Service beginning before 1987 that as of December 31, 1986 are not long enough to permit forfeiture of pre 1987 Years of Vesting Credit under subsection (c) above, a nonvested Employee who incurs a period of consecutive Breaks in Service that equals or exceeds the greater of five or the aggregate Years of Vesting Credit earned prior to such period shall forfeit the Years of Vesting Credit with respect to his Pension and the Pension Credit earned prior to such period.

**1.11 CODE**

The term "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, including valid rules and regulations issued thereunder.

**1.12 COVERED EMPLOYMENT**

For periods after 2008, the term "Covered Employment" shall mean:

- (a) employment for which the Employer is obligated to contribute to the MEBA Pension Trust for benefits under the Plan on behalf of an Employee;

- (b) converted overtime as provided for under the collective bargaining agreements;
- (c) days of attendance at the MEBA Engineering School on and after August 1, 1994 to September 30, 2008, for which a training allowance is paid in accordance with the MEBA Training Plan Regulations;
- (d) days of attendance at the MEBA Engineering School on and after October 1, 2008, provided the Officer is not receiving a Vacation Benefit from the MEBA Vacation Plan or receiving wages from an Employer;
- (e) the period during which a Licensed Officer receives severance or any other payment in lieu of employment pursuant to a collective bargaining agreement between an Employer and the Union; provided, however, Covered Employment will not include any portion of such period:
  - (1) during which a Licensed Officer earns Pension Credit by working for another Employer,
  - (2) for which a Licensed Officer receives vacation benefits from the MEBA Vacation Plan,
  - (3) during which a Licensed Officer works in Maritime Employment, or
  - (4) on or after a Licensed Officer's Effective Date of Pension.
- (f) "overlap days," which are days an Officer who first reports to work aboard a vessel and the Officer being relieved are both required to work, and for which both are paid a shipboard wage, regardless of whether the Employer pays contributions on behalf of such Officers for such days.

For periods prior to 2009, Appendix C contains additional provisions relating to "Covered Employment."

For purposes of this Section 1.12, the term Covered Employment shall not include employment by and for the benefit of the MEBA Training Plan as a course instructor/teacher. Notwithstanding any other provision to the contrary, a participant who receives his Pension prior to or while employed by or for the benefit of the MEBA Training Plan as a course instructor/teacher shall not accrue any additional benefits by reason of such employment

### **1.13 DAYS OF SERVICE**

The term "Days of Service" shall mean:

- (1) days of actual work in Covered Employment for which an Employee is directly or indirectly paid, or entitled to payment, by an Employer for the performance of duties;
- (2) days for which an Employee is paid or entitled to payment by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated), due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence, not to exceed 63 days for any continuous period during which no duties are performed;
- (3) days for which back pay, irrespective of mitigation of damages, has been awarded or agreed to by an Employer;
- (4) days of contiguous non covered service as defined in Department of Labor ("DOL") Regulations at 29 CFR § 2530.210; and
- (5) Days of Prior Maritime Employment, in accordance with the terms and provisions for which an Employee receives credit under Sections 3.04(a) and 3.04(b).

#### **1.14 DISABILITY OR DISABLED**

The term “Disability” or “Disabled” shall mean:

- (a) with respect to an Employee with at least 10 years of Pension Credit, the Employee is deemed to be totally and permanently unable as a result of bodily injury or disease to engage in any further employment as an Employee, based on medical evidence that is satisfactory to the Trustees; and
- (b) with respect to an Employee with at least 6 years of Vesting Credit and 6 years of Pension Credit, shall mean the Employee has ceased working in Covered Employment on or after June 1, 2001 due to a permanent and total disability which is evidenced by receipt of a Social Security Disability award that established a benefit commencement date within one year of the day the participant last worked in Covered Employment.
- (c) Disability exists when, based on medical evidence that is satisfactory to the Trustees, an Employee is deemed to be totally and permanently unable as a result of bodily injury or disease to engage in any further employment as an Employee. The Trustees shall be the sole and final judges of Disability and entitlement to a Disability Pension. An Employee applying for a Disability Pension shall be required to submit to an examination by a physician or physicians selected by the Trustees and may be required to submit to reexamination periodically as the Trustees may direct.

#### **1.15 EFFECTIVE DATE OF PENSION**

The term “Effective Date of Pension” shall mean the date as of which payment of Pension benefits shall commence, which is the first day of the month following the month in which occurs the latest of:

- (a) the application for Pension benefits is received at the Plan Office;
- (b) the Employee terminates Covered Employment; and
- (c) the Employee’s last vacation period terminates.

#### **1.16 EMPLOYEE**

The term “Employee” shall mean:

- (a) Licensed Officers employed by Employers;
- (b) Port engineers, port electricians and hull inspectors for whom Employers are obligated to make contributions to the MEBA Pension Trust pursuant to collective bargaining agreements with the Union;
- (c) other employees for whom Employers are obligated to make contributions to the MEBA Pension Trust pursuant to collective bargaining agreements with the Union; and
- (d) certain employees, officials and representatives of (1) the Union, and any of its affiliates, (2) the Association, (3) the ROU, and (4) the MEBA Pension, Medical and Benefits, Vacation, and Training Plans, who are not covered by a collective bargaining agreement and for whom contributions are made to the MEBA Pension Trust as determined by the Trustees subject to the Trust Agreement, and to the extent permitted by law, the applicable provisions set forth in the collective bargaining agreements between the Union or any of its affiliates and the Employers.



- (e) Notwithstanding anything to the contrary, any person who is an active participant in or receiving a pension from the MEBA Inland Pension Plan covering certain employees of the Union and the Plan Office (the Staff Plan) shall not be considered an Employee.
- (f) A Towboat Employee shall be considered an Employee and shall participate in the Plan in accordance with the provisions of Appendix F and other Plan provisions to the extent expressly made applicable by Appendix F.
- (g) A Staff Plan Employee shall be considered an Employee and shall participate in the Plan in accordance with the provisions of Appendix H and other Plan provisions to the extent expressly made applicable by Appendix H.

**1.17 EMPLOYER**

The term “Employer” shall mean:

- (a) Employers of Licensed Officers for whom the Union is the collective bargaining representative and which are and may hereafter become signatories to the Trust Agreement and any other Employers who are obligated by a collective bargaining agreement with the Union to make the necessary contributions to the MEBA Pension Trust on behalf of Employees; and
- (b) the Union and any of its affiliates, and the MEBA Pension, Medical and Benefits, Vacation, and Training Plans.

**1.18 ERISA**

The term “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, including valid rules and regulations issued thereunder.

**1.19 LICENSED MARINE OFFICER**

The term “Licensed Marine Officer” shall mean a Licensed Officer participating in the Plan whose primary affiliation is with District No. 1, MEBA, including any radio officer who was so affiliated prior to August 1, 1978.

**1.20 LICENSED OFFICER**

The term “Licensed Officer” shall mean any officer participating in the Plan by virtue of employment for which an Employer is obligated to make contributions to the MEBA Pension Trust.

**1.21 LUMP SUM POSSIBLE PLAN YEAR**

The term “Lump Sum Possible Plan Year” means a Plan Year for which the Plan’s actuary has certified to the Trustees by October 31 of the immediately preceding Plan Year that the Plan is projected to be neither Endangered nor Critical for the Plan Year and the next fourteen succeeding Plan Years before and after reflecting the Lump Sum Distribution provisions under Section 6.04A.

**1.22 MARITIME EMPLOYMENT**

- (a) The term “Maritime Employment” shall mean work as determined in this subsection (a) based on the work a Pensioner performed before he Retired.
  - (1) If no part of a Pensioner’s Pension Credit was earned in employment as a port engineer, port electrician or a hull inspector, then for that Pensioner Maritime Employment only means future work in Covered Employment or work aboard any vessel.

- (2) If any part of a Pensioner's Pension Credit was earned in employment as a port engineer, port electrician or a hull inspector, then for that Pensioner Maritime Employment means future work in Covered Employment, work aboard any vessel and work in any job in the maritime industry 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, such work that is not in Covered Employment or aboard a vessel will only be considered Maritime Employment if such work is performed during the Pensioner's "restricted period".
- (A) A Pensioner's restricted period begins on the Pensioner's Effective Date of Pension and lasts for a number of days equal to the number of days for which the Pensioner earned Pension Credit in employment as a port engineer, port electrician or hull inspector. Such work performed during the remainder of the month in which the restricted period ends will be considered work performed during the restricted period.
- (B) Notwithstanding (A) above, 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 the post retirement employment is performed with an Employer as defined in Section 1.17(a).
- (b) For purposes of this Section 1.22, work aboard any vessel does not include work aboard (i) a fishing or touring boat, pilot launch, yacht, or charter hire, any of which must be under 70 feet in length; or (ii) a historic vessel run by a non-profit organization; or (iii) non-profit ships that provide humanitarian assistance.
- (c) For purposes of this Section 1.22, the term Maritime Employment shall not include employment by and for the benefit of the MEBA Training Plan as a course instructor/teacher. Notwithstanding any other provision to the contrary, a participant who receives his Pension prior to or while employed by or for the benefit of the MEBA Training Plan as a course instructor/teacher shall not accrue any additional benefits by reason of such employment.

### **1.23 MEBA PENSION TRUST**

The term "MEBA Pension Trust" shall mean the Trust established and maintained under the Trust Agreement.

### **1.24 NORMAL RETIREMENT AGE**

The term "Normal Retirement Age" shall mean the earlier of:

- (a) age 65 or the fifth anniversary of the time an Employee commenced Participation in the Plan, whichever is later; and,
- (b) for Employees employed in Covered Employment prior to January 1, 1956, the age, but not before age 60, of completion of 35 years of Pension Credit.

### **1.25 PARTICIPATION**

The term "Participation" shall mean the period of time an Employee is covered by this Plan beginning with his first day in Covered Employment (or, the first day an Employee returns to Covered Employment after incurring a Break in Service) and ending with the final date of his Pension payment.

A Towboat Employee shall participate in accordance with the provisions of Appendix F and, except to the extent expressly provided in Appendix F, shall not be entitled to any other benefit, right or feature provided by any other provision of the Plan.

A Staff Plan Participant shall participate in accordance with the provisions of Appendix F and, except to the extent expressly provided in Appendix H, shall not be entitled to any other benefit, right or feature provided by any other provision of the Plan.

## **1.26 PAY**

The term "Pay" shall mean, the average Base Monthly Wages of the Employee during the period of:

- (a) With respect to the Schedule of Pension Benefits in Section 2A.02(c), any five consecutive calendar years within the 10 consecutive calendar years ending on the date through which the benefit is determined that produces the highest Pension, based on the years of Pension Credit earned up through such date.
- (b) With respect to the Schedule of Pension Benefits in Section 2A.02(d), any three consecutive calendar years that produces the highest Pension.
- (c) With respect to the Schedule of Pension Benefits in Section 2B.02, amounts earned on and after the Applicable 2012 Effective Date shall mean the average Base Monthly Wages of the Employee that are paid to the Employee, or would have been paid to the Employee without regard to any reduction in such wages made in accordance with a reallocation of total labor costs under a Memorandum of Understanding, during any ten consecutive calendar years starting on or after the Applicable 2012 Effective Date and ending on the date through which the benefit is determined that produces the highest Pension, based on the years of Pension Credit earned up through such date. Notwithstanding the preceding, effective April 29, 2015, with respect to the Schedule of Pension Benefits in Section 2B.02, Pay will be determined as in the immediately preceding sentence, but using any five consecutive calendar years starting on or after the Applicable 2012 Effective Date and ending on the date through which the benefit is determined that produces the highest Pension, based on the years of Pension Credit earned up through such date.

Effective January 1, 2015, Pay in excess of \$265,000 per calendar year (or such different amount as may be determined under Code Section 401(a)(17)) shall not be taken into account. Effective January 1, 2012, Pay in excess of \$250,000 per calendar year (or such different amount as may be determined under Code Section 401(a)(17)) shall not be taken into account. For purposes of benefits accruing before January 1, 1995 and after December 31, 2001, Pay in excess of \$200,000 per calendar year (or such different amount as may be determined under Code Section 401(a)(17)(B)) shall not be taken into account. For purposes of benefits accruing from January 1, 1995 thru December 31, 2001, Pay is limited as set forth in paragraphs (1) and (2) below.

- (1) For Plan Years beginning on or after January 1, 1995, and ending before January 1, 2002 the annual Pay of each Employee taken into account under the Plan shall not exceed the OBRA '93 (Omnibus Budget Reconciliation Act of 1993) annual compensation limit. The OBRA '93 annual compensation limit is \$150,000, as adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Pay is determined (Determination Period) beginning in such calendar year. If a Determination Period consists of fewer than 12 months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the Determination Period, and the denominator of which is 12.

For Plan Years beginning on or after January 1, 1995, and ending before January 1, 2002 any reference in this Plan to the limitation under Code Section 401(a)(17) shall mean the OBRA '93 annual compensation limit set forth in this subsection (a).

If Pay for any prior Determination Period is taken into account in determining an Employee's benefits accruing in the current Plan Year, the Pay for that prior Determination Period is subject to the OBRA '93 annual compensation limit in effect for that prior Determination Period. For this purpose, for Determination Periods beginning before January 1, 1995, the OBRA '93 annual compensation limit is \$150,000.

Notwithstanding any other provision in the Plan, each Section 401(a)(17) Employee's accrued benefit under this Plan will be the greater of:

- (A) such Employee's accrued benefit as of December 31, 1994, frozen in accordance with Treasury Regulation §1.401(a)(4)-13, or
- (B) such Employee's accrued benefit determined with respect to the benefit formula applicable for the Plan Year beginning January 1, 1995, as applied to the Employee's total Pension Credit taken into account under the Plan for purposes of benefit accruals.

A "Section 401(a)(17) Employee" means an Employee whose current accrued benefit as of a date on or after January 1, 1995, is based on Pay for a year beginning prior to January 1, 1995, that exceeded \$150,000.

- (2) This paragraph (2) only applies to Plan Years beginning before January 1, 1997. In determining the annual Pay of an Employee for purposes of the limitation under Code Section 401(a)(17) as set forth in this subsection (a), the rules of Code Section 414(q)(6) shall apply, except in applying such rules, the term "family" shall include only the spouse of the Employee and any lineal descendants of the Employee who have not attained age 19 before the close of the Plan Year. If, as a result of the application of such rules the adjusted annual Pay limitation is exceeded, then the limitation shall be prorated among the affected Employees in proportion to each such Employee's Pay as determined under this subsection (a) prior to the application of this limitation.

#### **1.27 PENSION**

The term "Pension" shall mean the benefits payable under the Plan as a Regular Pension, Early Retirement Pension, Reduced Pension or Disability Pension.

#### **1.28 PENSIONER**

The term "Pensioner" shall mean an Employee who has agreed, in writing, on the form provided by the Plan Office, to the amount of his Pension, as computed by the Plan Office, and the underlying calculations, and who has reached his Effective Date of Pension.

#### **1.29 PENSION CREDIT**

The term "Pension Credit" shall mean service towards eligibility for a Pension as determined in accordance with ARTICLE III.

#### **1.30 PLAN ADMINISTRATOR**

The term "Plan Administrator" as defined under ERISA Section 3(16)(A), means the Trustees. The Trustees may delegate responsibility for Plan ministerial administrative duties to an individual or

individuals, firm, company, committee or other entity as an administrative agent pursuant to the Trust Agreement.

**1.31 PLAN OFFICE**

The term “Plan Office” shall mean the offices of the MEBA Benefit Plans, currently 1007 Eastern Avenue, Baltimore, Maryland 21202, or any successive address.

**1.32 PLAN YEAR**

The term “Plan Year” shall mean January 1 to December 31.

**1.33 PROHIBITED EMPLOYMENT**

The term “Prohibited Employment” shall mean the employment of a Pensioner in Maritime Employment without the written permission of the Trustees.

**1.34 REGULATIONS AND PLAN**

The term “Regulations” shall mean the provisions for the MEBA Pension Trust-Defined Benefit Plan as set forth herein, which together with the Trust Agreement shall constitute the “Plan”, as the Trustees may amend from time to time.

**1.35 RETIRE (RETIRED, RETIREMENT)**

The terms “Retire”, “Retired”, or “Retirement” shall mean the cessation of work in connection with which an Employee has:

- (a) withdrawn completely from:
  - (1) Covered Employment;
  - (2) work aboard any vessel; and
  - (3) in the case of a port engineer, port electrician or hull inspector, any service in the maritime industry that involves a Licensed Officer’s knowledge or expertise, including but not limited to, knowledge or expertise in construction, repair, operational or maintenance activities.
- (b) completed the taking of his earned vacation; and
- (c) furnished the Plan Office with satisfactory documentary proof that he has withdrawn from membership in the Union.

**1.36 ROU**

The term “ROU” shall mean the Radio-Electronics Officers Union, District No. 3, MEBA, AFL CIO.

**1.37 SECTION 415 COMPENSATION**

The term “Section 415 Compensation” shall mean an Employee’s wages as defined in Code Section 3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer’s trade or business) for which the Employer is required to furnish the Employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052. Section 415 Compensation shall be determined without regard to any rules that limit the remuneration included in wages based on the nature or

location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)). Section 415 Compensation shall be limited by Code Section 401(a)(17) in accordance with the same rules that are set forth in Section 1.26 defining Pay and applying the limitation on Pay. Effective January 1, 2009, Section 415 Compensation includes military differential pay as defined in Code Section 3401(h)(2).

In addition, notwithstanding anything in the Plan to the contrary, Section 415 Compensation includes amounts paid after an Employee's termination of Covered Employment that would have been included in Section 415 Compensation had they been paid prior to the Employee's termination from Covered Employment absent a termination of Covered Employment, provided that such amounts are paid by the later of 2½ months after the Employee's termination from Covered Employment or the end of the limitation year that includes the date of the Employee's termination from Covered Employment and is intended to and shall be interpreted to comply with Treasury Regulation § 1.415(c)-2(d)(4).

**1.38 STAFF PLAN EMPLOYEE**

The term "Staff Plan Employee" shall mean any person who is employed by a Staff Plan Employer (as defined in Appendix H) and who is accruing benefits in accordance with Appendix H.

**1.39 STATEMENT OF HEALTH**

The term "Statement of Health" shall mean the form supplied by the Trustees that must be completed and submitted to the Trustees when required by these Regulations.

**1.40 TOWBOAT EMPLOYEE**

The term "Towboat Employee" shall mean an employee who has worked, or is working, for one or more Towboat Employers (as defined in Appendix F) who are obligated to contribute under the terms of a Collective Bargaining Agreement, or in contiguous employment for a Towboat Employer in a non-bargaining unit capacity not covered by any Collective Bargaining Agreement with the Union but for which the employee is entitled to be compensated by such Towboat Employer.

**1.41 TRUST AGREEMENT**

The term "Trust Agreement" shall mean the Agreement and Declaration of Trust Establishing the MEBA Pension Plan, as amended from time to time.

**1.42 TRUSTEES**

The term "Trustees" shall have the meaning given in the Trust Agreement.

**1.43 UNION**

The term "Union" shall have the meaning given in the Trust Agreement.

**1.44 USERRA**

The term "USERRA" shall mean the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

**1.45 YEAR OF VESTING CREDIT**

The term "Year of Vesting Credit" shall mean a calendar year in which an Employee has 125 Days of Service.

**ARTICLE II**  
**PENSION BENEFITS**

**2.01 GENERAL**

- (a) Prior to April 15, 2000, certain Employees were eligible for the Article II Pension. Appendix B contains rules applicable to Article II Pension and rules describing how to determine the Pension of an Employee who has been at various times eligible for both the Article II Pension and the Article II-A Pension. Appendices B and C also contain pension schedules in effect during prior periods, and other special benefit provisions.
- (b) Provisions outlined below in Sections 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, and 2.10 are applicable to both Article II-A Pension Benefits and Article II-B Pension Benefits.

**2.02 REDUCED PENSION**

- (a) An Employee may Retire on a Reduced Pension if he has attained Normal Retirement Age with fewer than 20 years of Pension Credit.
- (b) Effective August 1, 1994, with respect to an Employee who has not Retired or received an Alternate Lump Sum Distribution by such date and who has at least one day of Covered Employment on or after July 1, 1990, the Reduced Pension shall be the amount set forth in either paragraph (1) or (2) below, as elected by the Employee (or Beneficiary where applicable):
  - (1) A monthly amount equal to the greater of \$19.82 for each year of Pension Credit up to 20 years or 2% of an Employee's Pay for each year of Pension Credit up to 20 years, using the five year Pay computation period under Section 1.26 and subject to the applicable cost of living adjustment provided in ARTICLE V, or
  - (2) A monthly amount equal to the greater of \$19.82 for each year of Pension Credit up to 20 years or 2-2/3% of an Employee's Pay for each year of Pension Credit up to 20 years, using the three year Pay computation period under Section 1.26 and not subject to any cost of living adjustment provided in ARTICLE V.

For periods prior to August 1, 1994, see Appendix B, Section II.

**2.03 EARLY RETIREMENT PENSION**

- (a)
  - (1) An Employee may Retire on an Early Retirement Pension if he has attained age 60 and has at least 15 years of Pension Credit.
  - (2) An Employee who terminates Covered Employment prior to age 60 with a nonforfeitable benefit and 15 or more years of Pension Credit may Retire on an Early Retirement Pension upon attainment of age 60.
- (b) The Early Retirement Pension shall equal:
  - (1) the monthly amount of the Reduced Pension to which the Employee would be entitled based on his years of Pension Credit if he were age 65 at the Effective Date of his Early Retirement Pension,
  - (2) reduced by .5% for each full month by which the Employee is younger than age 65 at the Effective Date of his Early Retirement Pension.

- (c) If a Pensioner who has Retired on an Early Retirement Pension returns to Covered Employment in accordance with Sections 2.07 or 2.08, he shall receive additional Pension Credit in accordance with these Regulations provided that his total years of Pension Credit shall not exceed 20.

#### **2.04 DISABILITY PENSION**

- (a) An Employee who has a Disability may Retire on a Disability Pension if he meets the service requirements and definition of Disability in Section 1.14.
- (b) If the Employee has less than 20 years of Pension Credit, the amount of the Disability Pension shall be the same as a Reduced Pension. If the Employee has 20 or more years of Pension Credit, the amount of the Disability Pension shall be the same as a Regular Pension.
- (c) In no event shall a Disability Pension be payable for any period for which the Employee receives disability benefits under the MEBA Medical and Benefits Plan or the ROU Benefits Plan.
- (d) A Disability Pension shall not be payable for any disability resulting from services in the armed forces of the United States if a military disability pension is payable therefor. No Disability Pension shall be payable for any disability resulting from services in the armed forces of any other country.
- (e) Effective June 13, 1990, if a Pensioner who has Retired on a Disability Pension with less than 20 years of Pension Credit receives certification that he is no longer Disabled and returns to Covered Employment with the permission of the Trustees, he shall receive additional Pension Credit in accordance with these Regulations.
- (f) If a Pensioner who has Retired on a Disability Pension has earned income after his Effective Date of Pension in excess of \$36,000.00 per calendar year, his Disability Pension will be suspended beginning as of the January 1st next following the calendar year in which his earned income exceeds the limit. Payment of his Disability Pension will resume as of the January 1st next following the first calendar year in which he does not exceed the earned income limit. Notwithstanding the two preceding sentences, there will be no suspension of a participant's Disability Pension under this subsection (f) for any month after the month in which a participant attains his Normal Retirement Age.
- (g) A Pensioner shall be permitted to change his Regular Pension or Reduced Pension to a Disability Pension even though such Disability commenced subsequent to his Retirement date if he meets the requirements for such other Pension.

#### **2.05 DEDUCTION FOR MILITARY PENSION**

Where a military pension is based exclusively upon or includes credit for service in the armed forces of the United States, a reduction from the Employee's Pension shall be made in an amount equal to that amount of an Employee's military pension which is attributable to such military service. In no event shall such reduction be greater than the amount of the Pension paid to the Employee by the Plan that is attributable to such military service.

#### **2.06 BENEFIT NOT TO BE REDUCED**

With respect to an Employee who Retires and returns to Covered Employment for which he is entitled to receive Pension Credit under these Regulations, the monthly Pension amount to which he is entitled upon subsequent Retirement (payable as a single life annuity commencing at his Normal Retirement Age) shall not be less than the monthly Pension amount to which he would have been entitled had he not returned to Covered Employment.



**2.07 REEMPLOYMENT SUBJECT TO PENALTIES (PROHIBITED EMPLOYMENT)**

A Pensioner shall request, in writing, permission of the Trustees to return to Maritime Employment described in Section 1.22 without penalty. A Pensioner who returns to Maritime Employment without the written permission of the Trustees shall be subject to the penalties set forth in Section 2.09 and shall be deemed to be engaged in Prohibited Employment.

**2.08 REEMPLOYMENT OF PENSIONERS DURING CONDITIONS OF OFFICER SHORTAGES**

- (a) A Pensioner who has Retired as defined in Section 1.35 may return to Covered Employment without being subject to the penalties set forth in Section 2.09 and without being deemed to be engaged in Prohibited Employment if:
- (1) (A) such Pensioner is a Licensed Officer (as defined in Sections 1.19 and 1.20), there is a shortage of Licensed Officers caused by war or national emergency and/or a specific request of the Trustees is made by the federal government to permit Licensed Officers to return to Covered Employment during the pendency of such shortage;
  - (B) the Pensioner notifies the Trustees in writing; and
  - (C) the Pensioner receives the permission of the Trustees to return to Covered Employment; or
  - (2) (A) a vessel cannot sail due to a shortage of personnel and a Pensioner is the only Licensed Officer available;
  - (B) both the Union and his prospective Employer on the voyage determine in writing that the conditions in subparagraph (A) above are satisfied;
  - (C) the Pensioner notifies the Trustees in writing; and
  - (D) the Pensioner receives the permission of the Trustees to return to Covered Employment.

A Pensioner satisfying the conditions of this paragraph (2) shall be permitted to return to Covered Employment for a period not to exceed 90 days or the length of the voyage, whichever is greater, unless an extension beyond such period is granted by the Trustees; or

- (3) (A) a night relief position cannot be filled due to a shortage of personnel and a Pensioner is the only Licensed Officer available;
- (B) the Union determines in writing that the conditions in subparagraph (A) above are satisfied;
- (C) the Pensioner notifies the Trustees in writing; and
- (D) the Pensioner receives the permission of the Trustees to return to Covered Employment.

A Pensioner satisfying the conditions of this paragraph (3) shall only be permitted to return to Covered Employment for the period specified by the Trustees.

- (4) (A) such Pensioner is a Licensed Officer (as defined in Sections 1.19 and 1.20);

- (B) the Covered Employment relates to a government vessel port engineer position and such port engineer position cannot be filled due to a shortage of personnel and a Pensioner is the only Licensed Officer available;
- (C) both the Union and the prospective Employer attest in writing that the conditions in subparagraph (B) above are satisfied;
- (D) the Pensioner notifies the Trustees in writing; and
- (E) the Pensioner receives the permission of the Trustees to return to Covered Employment.

A Pensioner satisfying the conditions of this paragraph (4) shall be permitted to return to Covered Employment for a period not to exceed 90 consecutive days unless an extension beyond such period is granted by the Trustees. The restricted period under Section 1.22 shall be suspended during such employment for Pensioners that satisfy this Section 2.08(a) (4)

- (b)
  - (1) A Pensioner who returns to Covered Employment under the conditions outlined in subsection (a)(1) above (war or national emergency) shall not receive payment of his Pension while so employed, provided that if a Pensioner so returns to such Employment after attaining Normal Retirement Age, his Pension shall not be suspended for any calendar month during which he works less than five days.
  - (2) Notwithstanding subsection (1) above, a Pensioner who returns to Covered Employment under the conditions outlined in subsection (a)(2), (a)(3), or (a)(4) above (shortage of personnel) shall receive payment of his Pension while so employed.
- (c) Except as provided in subsection (e) below, a Pensioner who has returned to Covered Employment shall not be entitled to any higher Pension amount upon subsequent Retirement than that originally established, except in the case of a Pensioner who received an Early Retirement Pension. In such case, upon subsequent Retirement the original monthly Pension amount shall be paid until the excess of the total new monthly amount earned after return to Covered Employment over the original amount which is paid (if any) equals or exceeds the total amount previously paid to him as an Early Retirement Pension before return to Covered Employment, after which the new monthly amount shall be paid.
- (d) For purposes of subsection (c) above, an Early Retirement Pension shall be deemed to include any Pension which becomes effective prior to the date that the Pensioner comes within Covered Employment as a port engineer, port electrician or hull inspector. Such a Pensioner must, at the time he comes within such Employment, elect to comply with the requirements of subsection (c) above or continue to receive Pension payments without accruing additional Pension benefits.
- (e) Notwithstanding anything to the contrary, if a Pensioner returns to Covered Employment under the conditions outlined in subsection (a)(1) above, his Pension benefits shall be suspended and he may accrue additional Pension benefits provided all of the following conditions are fulfilled:
  - (1) the Pensioner's Effective Date of Pension and return to Covered Employment occurred prior to June 1, 1987;
  - (2) the Pensioner earns 10 Years of Vesting Credit after his return to Covered Employment; and
  - (3) the Pensioner has at least one hour of Covered Employment on or after June 13, 1990.

If all of the above conditions are not fulfilled, the Pensioner's Pension benefit shall nevertheless be suspended during the period he works in Covered Employment and the Pensioner shall not accrue any additional Pension benefits while so employed.

## **2.09 SUSPENSION OF BENEFITS FOR CERTAIN POST RETIREMENT WORK**

- (a) A Pensioner who engages in Maritime Employment without the permission of the Trustees ("Prohibited Employment") before attaining Normal Retirement Age shall not be entitled to payment of his Pension for any calendar month during which he was so employed and, for six additional months, to the extent not prohibited by ERISA Section 203(a)(3)(B) and any related DOL Regulations; provided, however, under extenuating circumstances and at the discretion of the Trustees, such six additional month suspension of payment may be waived.
- (b) A Pensioner who engages in Maritime Employment without the permission of the Trustees ("Prohibited Employment") after attaining Normal Retirement Age shall not be entitled to payment of his Pension for any calendar month in which he works five or more days. Pension payments shall resume no later than the first day of the third calendar month after the Pensioner notifies the Trustees that Prohibited Employment has ceased and provides the Trustees with sufficient information to verify that such employment has, in fact, ceased. The Pensioner shall be required to return Pension payments to which he is not entitled which were received during periods of such employment to the MEBA Pension Trust. The initial payment is to include all amounts due following the date Prohibited Employment ended, reduced by any suspendible amounts previously paid.
- (c) An Employee who receives a Lump Sum Distribution (other than an Alternate Lump Sum Distribution) and engages in Prohibited Employment without the written permission of the Trustees shall not be entitled to accrue additional Pension benefits in excess of that earned as of his original Effective Date of Pension.
- (d) If a Pensioner fails to return the Pension payments, as required under subsections (a), (b), and (c) the Trustees may take whatever actions are necessary to have such payments returned, including but not limited to:
  - (1) suit to recover the amount of payments, and/or
  - (2) deduction of such amount from future benefit payments, if any, to which such Pensioner or his Beneficiary may be entitled, and/or
  - (3) after benefit payments, if any, resume to either the Pensioner or his Beneficiary, reduction of the initial benefit payment by the amount erroneously paid to the Pensioner, or reduction of each future benefit payment by not more than 25% until the full amount paid to the Pensioner during his period of Prohibited Employment has been recovered.
- (e) Any Pensioner who engages in Prohibited Employment shall forfeit eligibility for benefits under the MEBA Medical and Benefits Plan in accordance with the terms of Article VIII, Section 5 of the MEBA Medical and Benefits Plan.
- (f) No suspension of benefits will apply under this Section 2.09 for the Prohibited Employment of a Pensioner that is aboard an educational institution's vessel which 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.
- (g) The Plan shall comply with the notification requirements of DOL Regulation § 2530.203-3(b)(4) with respect to any suspension of benefits described under this Section 2.09 and shall adopt a

procedure under which a Pensioner may request the Plan Office to determine whether specific contemplated employment will result in a suspension of benefits under this Section 2.09.

- (h) If a Pensioner has worked in Prohibited Employment in any month and has failed to give timely notice to the Plan of such employment, the Trustees shall presume that he worked for at least five (5) days in such month and any subsequent month before the Pensioner gives notice that he has ceased the employment. The Pensioner shall have the right to overcome such presumption by establishing that his work was not in fact an appropriate basis, under the Plan, for suspension of his benefits. The Trustees shall inform all Pensioners at least once every 12 months of the presumption set forth in this subsection (h).

## **2.10 MILITARY SERVICE BENEFITS**

Notwithstanding any provision of this Plan to the contrary, effective December 12, 1994, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).

# **ARTICLE II-A**

## **ARTICLE II-A PENSION BENEFITS**

### **2A.01 GENERAL**

The purpose of this Article II-A is to outline the rules for determining the monthly benefit amount for Employees who have been employed on or after June 15, 1965 and before the Applicable 2012 Effective Date by Employers who are obligated or have agreed to make the contributions necessary to provide the Pension under this Article II-A. Notwithstanding anything contained herein to the contrary, the provisions of Article II-B shall apply with respect to the determination of the monthly benefit amount and distribution of Pension benefits for certain Employees in Covered Employment on or after the Applicable 2012 Effective Date.

### **2A.02 REGULAR PENSION**

- (a) An Employee may Retire on a Regular Pension if the Employee has at least 20 years of Pension Credit.
- (b) With respect to an Employee who has not Retired or received an Alternate Lump Sum Distribution under Section 6.04 as of July 1, 1990, and who satisfies the requirements of subsection (a) of this Section 2A.02 and earns at least one day of Covered Employment on or after July 1, 1990, the monthly amount of the Regular Pension shall be calculated under one of the following two Schedules:
  - (1) The Schedule in subsection (c) of this Section 2A.02, using the five year Pay computation period under Section 1.26. The benefit determined under the Schedule in Section 2A.02(c) may be subject to cost of living adjustments contained in Sections 5.01, 5.02 or 5.03, whichever is applicable.
  - (2) The Schedule in subsection (d) of this Section 2A.02, using the three year Pay computation period under Section 1.26. The benefit determined under the Schedule in Section 2A.02(d) shall not be subject to any cost of living adjustments contained in ARTICLE V of these Regulations.

An Employee who fulfills the requirements of this Section 2A.02(b) shall be given the option of choosing the benefit calculated in accordance with the Schedule in Section 2A.02(c) or the Schedule in Section 2A.02(d). If the Employee elects to receive his benefit in the form of a Lump Sum Distribution, such benefit shall be calculated in accordance with the Schedule that produces the higher benefit. An Employee who is eligible to elect a benefit calculated under either the Schedule in Section 2A.02(c) or in Section 2A.02(d) shall make such election in a form and manner satisfactory to the Trustees and such election shall be subject to Section 6.01.

- (c) Effective August 1, 1994, with respect to an Employee who satisfies the requirements of subsection (a) above and earns four or more quarters of Pension Credit after July 1, 1981, the monthly amount of the Regular Pension shall be determined as follows:

<b>Years of Pension Credit</b>	<b>Benefit is the greater of</b>
20 Years	\$396.44 or 40% of Pay
21 Years	\$416.26 or 42-2/3% of Pay
22 Years	\$436.08 or 45-1/3% of Pay
23 Years	\$455.91 or 48% of Pay
24 Years	\$475.73 or 50-2/3% of Pay
25 Years	\$495.55 or 53-1/3% of Pay
26 Years	\$521.20 or 56% of Pay
27 Years	\$546.85 or 58-2/3% of Pay
28 Years	\$572.51 or 61-1/3% of Pay
29 Years	\$598.16 or 64% of Pay
30 Years	\$623.81 or 66-2/3% of Pay
Over 30 Years	An additional \$25.65 per month or 2-2/3% per year

- (d) (1) Effective August 1, 1994, the following Schedule shall apply with respect to Employees who have at least one day of Covered Employment on or after July 1, 1990 and who have not Retired or received an Alternate Lump Sum Distribution as of July 1, 1990:

<b>Years of Pension Credit</b>	<b>Benefit is the greater of</b>
20 Years	\$396.44 or 53-3/9% of Pay
21 Years	\$416.26 or 56-8/9% of Pay
22 Years	\$436.08 or 60-4/9% of Pay
23 Years	\$455.91 or 64% of Pay
24 Years	\$475.73 or 67-5/9% of Pay
25 Years	\$495.55 or 71-1/9% of Pay
26 Years	\$521.20 or 74-6/9% of Pay
27 Years	\$546.85 or 78-2/9% of Pay
28 Years	\$572.51 or 81-7/9% of Pay
29 Years	\$598.16 or 85-3/9% of Pay
30 Years	\$623.81 or 88-8/9% of Pay
Over 30 Years	An additional \$25.65 per month or 3-5/9% per year

- (e) If an Employee has less than a round number of years of Pension Credit, Pension Credit shall be prorated based on twelfth-year units in accordance with Section 3.01(c) for Employees who have at least one day of Covered Employment on or after July 1, 1990, and in quarter-year units for other Employees.

## ARTICLE II-B

### ARTICLE II-B PENSION BENEFITS

#### 2B.01 GENERAL

- (a) The purpose of this Article II-B is to outline the rules for determining the monthly benefit amount for Employees who have been employed on or after the Applicable 2012 Effective Date by Employers who are obligated or have agreed to make the contributions necessary to provide the Pension under this Article II-B.
- (b) **Combined Article II-A and II-B Benefits.** If an Employee was employed in Covered Employment after the Applicable 2012 Effective Date by an Employer described in subsection (a) above and by an Employer who is obligated or has agreed to make contributions under Article II-A, his Pension shall be determined as follows:
- (1) Determine the amount to which the Employee would be entitled under Article II-A based on his aggregate Pension Credit earned through Covered Employment with Employers covered by Article II-A as of the Applicable 2012 Effective Date and his Pay as defined in Section 1.26;
  - (2) Determine the amount to which the Employee would be entitled under Article II-B based on his aggregate Pension Credit earned after the Applicable 2012 Effective Date and his Pay as defined in Section 1.26;
  - (3) Add the amount determined under paragraph (1) above and the amount determined under paragraph (2) above.
- (c) **Employees Working During Any Year for Employers subject to Article II-A and Article II-B.**
- (1) **Pension Credit.** For purposes of determining an Employee's aggregate Pension Credit under subsection (b)(1) and (b)(2) above, an Employee who during any calendar year beginning on or after January 1, 2012 works for one or more Employers described in Section 2A.01(a) and one or more Employers described in Section 2B.01(a), the Employee shall receive Pension Credit under subsection (b)(1) and (b)(2) above based on the schedule set forth in Section 3.01(c); provided, that if for any calendar year, the total number of days the Employee works for Employers described in Section 2A.01(a) and Employers described in Section 2B.01(a) results in the Employee being credited with fewer twelfth-year units than the Employee would have been credited with had the Employee worked for only an Employer described in either Section 2A.01(a) or in Section 2B.01(a), the Employee shall be credited with the additional one-twelfth unit, and such extra unit shall be considered earned under this Article II-B.

For example: During one calendar year Employee X works for an Employer described in Section 2A.01(a) for 39 days and is credited with 1/12 Pension Credit and works 117 days for an Employer described in Section 2B.01(a) and is credited with 5/12 Pension Credit for a total of 6/12. However, the Employee in the aggregate worked 156 days during the year and should be credited with 7/12 Pension Credit. Employee X will be credited with an additional 1/12 Pension Credit, which shall be treated as if it was earned in work for an Employer described in Section 2B.01(a).

(2) **Pay.** An Employee who during any calendar year works and earns at least 1/12 of a Pension Credit for one or more Employers described in Section 2A.01(a) and one or more Employers described in Section 2B.01(a), the computation of an Employee's Pay during such calendar year shall be based on the following:

(A) **Article II-A Portion.** For purposes of determining an Employee's benefit under Article II-A, the computation of an Employee's Pay shall be the sum of the Employee's Pay earned working for Employers described in Section 2A.01(a) and Section 2B.01(a). However, the Employee's Pay earned for an Employer described in Section 2B.01(a) shall be based on the definition of Pay in Section 1.26 as applicable to Article II-B.

(B) **Article II-B Portion.** For purposes of determining an Employee's benefit under Article II-B, the computation of an Employee's Pay shall be the sum of the Employee's Pay earned working for Employers described in Section 2A.01(a) and Section 2B.01(a). However, the Employee's Pay earned for an Employer described in Section 2A.01(a) shall be based on the definition of Pay in Section 1.26 as applicable to Article II-A.

Example 1: During 2012, prior to the Applicable 2012 Effective Date, Employee X works for an Employer described in Section 2A.01(a) and earns \$20,000 based on Pay as defined in Section 1.26 applicable to Article II-A. In addition, during 2012 after the Applicable 2012 Effective Date, Employee X works for an Employer described in Section 2B.01 (a) and earns \$54,000 based on Pay as defined in Section 1.26 applicable to Article II-B. For purposes of determining Employee X's benefit, the Pay for 2012 will be \$74,000 (\$20,000 plus \$54,000).

Example 2: During 2012, prior to the Applicable 2012 Effective Date, Employee X works for 19 days and earns \$3,000 based on Pay as defined in Section 1.26 applicable to Article II-A. In addition, Employee X works for 230 days for Employers on or after the Applicable 2012 Effective Date and earns \$69,300 based on Pay as defined in Section 1.26 applicable to Article II-B. For purposes of determining Employee X's benefit, the Pay for 2012 will be \$72,300 (\$3,000 plus \$69,300).

## **2B.02 REGULAR PENSION**

(a) An Employee may Retire on a Regular Pension if the Employee has at least 20 years of Pension Credit. The monthly amount of the Regular Pension shall be calculated under one of the following two Schedules:

- (1) The Schedule in subsection (b) below, using the ten year Pay computation period under Section 1.26. The benefit determined under the Schedule in subsection (b) below shall not be subject to any cost of living adjustments contained in ARTICLE V of these Regulations.
- (2) The Schedule in subsection (d) below, using the ten year Pay computation period under Section 1.26. The benefit determined under the Schedule in subsection (d) below may be subject to cost of living adjustments contained in ARTICLE V, if applicable.

An Employee who fulfills the requirements of this Section 2B.02(a) shall be given the option of choosing the benefit calculated in accordance with the Schedule in subsection (b) or (d) below. If the Employee elects to receive his benefit in form of a Lump Sum Distribution, such benefit shall be calculated in accordance with the Schedule that produces the higher benefit. An Employee who is eligible to elect a benefit calculated under either the Schedule in (b) or (d) shall make such

election in a form and manner satisfactory to the Trustees and such election shall be subject to ARTICLE VI.

- (b) Effective on the Applicable 2012 Effective Date, the following Schedule shall apply with respect to Employees who have at least one day of Covered Employment on or after the Applicable 2012 Effective Date and who have not Retired or received an Alternate Lump Sum Distribution as of the Applicable 2012 Effective Date:

<b>Years of Pension Credit</b>	<b>Benefit is the greater of</b>
20 Years	\$396.44 or 40% of Pay
21 Years	\$416.26 or 42-2/3% of Pay
22 Years	\$436.08 or 45-1/3% of Pay
23 Years	\$455.91 or 48% of Pay
24 Years	\$475.73 or 50-2/3% of Pay
25 Years	\$495.55 or 53-1/3% of Pay
26 Years	\$521.20 or 56% of Pay
27 Years	\$546.85 or 58-2/3% of Pay
28 Years	\$572.51 or 61-1/3% of Pay
29 Years	\$598.16 or 64% of Pay
30 Years	\$623.81 or 66-2/3% of Pay
Over 30 Years	An additional \$25.65 per month or 2-2/3% per year

- (c) If an Employee has less than a round number of years of Pension Credit, his Pension Credit shall be prorated based on twelfth-year units in accordance with Section 3.01(c) and Section 2B.01(b).
- (d) **Cost of Living Pension.** Effective on the Applicable 2012 Effective Date, with respect to an Employee who satisfies the requirements of subsection (a) above and earns a twelfth-year unit of Pension Credit on or after the Applicable 2012 Effective Date and who elects a cost of living pension, the monthly amount of the Regular Pension shall be determined as follows:

<b>Years of Pension Credit</b>	<b>Benefit is the greater of</b>
20 Years	\$396.44 or 30% of Pay
21 Years	\$416.26 or 32% of Pay
22 Years	\$436.08 or 34% of Pay
23 Years	\$455.91 or 36% of Pay
24 Years	\$475.73 or 38% of Pay
25 Years	\$495.55 or 40% of Pay
26 Years	\$521.20 or 42% of Pay
27 Years	\$546.85 or 44% of Pay
28 Years	\$572.51 or 46% of Pay
29 Years	\$598.16 or 48% of Pay
30 Years	\$623.81 or 50% of Pay
Over 30 Years	An additional \$25.65 per month or 2% per year

If an Employee has less than a round number of years of Pension Credit, his Pension amount shall be prorated based on twelfth-year units in accordance with Section 3.01(c) and 2B.01(b).



**ARTICLE III**

**ACCUMULATION OF PENSION CREDIT**

**3.01 CREDIT FOR PERIODS ON OR AFTER JANUARY 1, 1990**

Effective January 1, 1990 an Employee shall receive Pension Credit as follows:

- (a) An Employee shall receive Pension Credit in accordance with the Section titled "Credit for Periods on or After January 1, 1986" in Appendix C for calendar year 1990 if all of such Employee's Pension Credit for calendar year 1990 is based on Covered Employment during the period beginning on January 1, 1990 and ending on June 30, 1990.
- (b) An Employee shall receive Pension Credit in accordance with subsection (c) below for calendar year 1990, if any of the Employee's Pension Credit for calendar year 1990 is based on Covered Employment during the period beginning on July 1, 1990 and ending on December 31, 1990 and such Employee had not Retired or received an Alternate Lump Sum Distribution on or before July 1, 1990.
- (c) An Employee shall receive one year of Pension Credit for each calendar year beginning on or after January 1, 1991 in which he has at least 240 days in Covered Employment. An Employee who has less than 240 days in Covered Employment shall receive Pension Credit in twelfth-year units as follows:

<b>Days of Covered Employment in a Calendar Year</b>	<b>Units to be Credited</b>
Less than 20	None
20 to 39	1/12
40 to 59	2/12
60 to 79	3/12
80 to 99	4/12
100 to 119	5/12
120 to 139	6/12
140 to 159	7/12
160 to 179	8/12
180 to 199	9/12
200 to 219	10/12
220 to 239	11/12
240 or more	12/12

- (d) Night relief engineers shall receive for each day of employment, Pension Credit for one day of employment. When a collective bargaining agreement provides for the inclusion of vacation in wages paid for night relief employment, the appropriate additional fraction of a day shall be included in Pension Credit.
- (e) Notwithstanding subsections (a), (b) and (c) above, an Employee who is employed by Employers who are obligated to make the contributions necessary to provide Article II Pension (and not Article II-A Pension) shall receive Pension Credit computed in accordance with the Section titled "Credit for Periods from January 1, 1956 through December 31, 1971" in Appendix C.
- (f) Credit for service prior to January 1, 1990 shall be determined in accordance with the provisions in Appendix C.

### **3.02 RECOVERING DAYS**

- (a) Effective January 1, 1997, for each calendar year prior to January 1, 1997 in which an Employee who worked in Covered Employment during calendar year 1996, or who was so working on January 1, 1997 earns less than a full year of Pension Credit, all days of Covered Employment in such year that are not required to complete a partial unit of Pension Credit (either a twelfth of a Pension Credit for years after December 31, 1989 or a quarter of a Pension Credit for years prior to January 1, 1990) shall be placed in a credit bank. Notwithstanding any other provisions of these Regulations, days earned in ROU covered employment prior to January 1, 1982, which satisfy the above criteria shall be included in this credit bank.
- (b) Beginning with the most recent such calendar year, days of Covered Employment shall be deducted from the credit bank and added to the number of days of Covered Employment for such year as necessary to earn a full year of Pension Credit. This process shall be repeated for each immediately preceding calendar year in which the Employee did not earn a full year of Pension Credit, until the number of days remaining in the credit bank is insufficient to enable the Employee to complete a full year of Pension Credit. This provision shall apply to ROU members and to Pension Credit calculated under the BMO Plan.
- (c) In the event that an Employee's credit bank contains days of Covered Employment that are insufficient to complete a full year of Pension Credit, then such days shall be deducted from the credit bank and added to that year's days of Covered Employment as necessary to complete as many partial units of Pension Credit (either twelfths or quarters, as appropriate) as possible. This provision shall apply to ROU members and to Pension Credit calculated under the BMO Plan.
- (d) This provision shall not be applicable to any calendar year in which an Employee has forfeited service as a result of a Break-in-Service.

### **3.03 CREDIT FOR NON WORKING PERIODS**

Under this Section 3.03, certain periods of absence are treated as work in Covered Employment for purposes of computing Pension Credit. This provision applies only if an Employee has or had Pension Credit for work in Covered Employment prior to the period of absence. Periods of absence from Covered Employment are to be credited as work in Covered Employment if they were due to the following reasons:

- (a) Service in any of the United States' uniformed services pursuant to voluntary or involuntary enlistment or reenlistment for a cumulative period of not more than five years; provided that the limitations on such period of time shall not include any service: (1) performed during a war or national emergency; or (2) that is required beyond five years to complete an initial period of obligated services; or (3) during which such person, through no fault of his own, was unable to obtain orders releasing such person before the expiration of five years; or (4) required for training, skill training, retraining, or professional development; or (5) otherwise excluded from the five year period pursuant to 38 U.S.C. Sec. 4312 (c); and provided further that the Employee make himself available for Covered Employment within 120 days after discharge or separation, or within 120 days after recovery from a disability continuing after his discharge or separation from military service.
- (b) Disability for any period prior to July 1, 1971, for which in hospital and/or disability benefits were paid under the MEBA Medical and Benefits Plan, the MEBA Welfare Fund, the District 2, MEBA AMO Medical Plan and/or by any State Plan, provided that (in the latter case) the Employee would otherwise have been eligible for disability payments under any of the above named MEBA Plans; and provided that the maximum total credited service granted any Employee hereunder shall not exceed 39 weeks for any one continuous period of disability. Pension Credit shall not accrue under this subsection (b) for periods of absence during which benefits are paid under the Major Medical Program of any of the above referenced MEBA Medical Plans, which may exceed the maximum periods for which disability benefits are payable.

- (c) Service with an entity that is not an Employer but that contributes to the Plan with respect to a person who is on a recognized leave of absence from Covered Employment with the Union.

### **3.04 CREDIT FOR CONTIGUOUS PRIOR MARITIME EMPLOYMENT**

Licensed Officers' Prior Maritime Employment with New Participating Employers and Predecessor Employers shall be considered in computing Pension Credit, subject, however, to the following conditions:

- (a) Prior Maritime Employment With a New Participating Employer: A Licensed Officer's Prior Maritime Employment with a New Participating Employer shall be included with Pension Credit earned while working in Covered Employment, solely for purposes of determining eligibility for retirement under the Plan, provided that such Licensed Officer:

- (1) Continues to work for such New Participating Employer immediately after it becomes signatory to the MEBA Pension Trust Agreement; and
- (2) Earns at least one (1) year of Pension Credit as a result of his Covered Employment with the New Participating Employer prior to earning any other credit under the Plan as a result of working in Covered Employment with any other Employer.

Such Prior Maritime Employment will not be included, however, for benefit accrual purposes under the Plan.

- (b) Prior Maritime Employment With a Predecessor Employer: A Licensed Officer's Prior Maritime Employment with a Predecessor Employer shall be included with Pension Credit earned while working in Covered Employment, solely for purposes of determining eligibility for retirement under the Plan, subject to the following conditions:

- (1) A Contracted Employer has, on or after January 1, 2002, acquired or otherwise succeeded to, ownership or management/operation rights from the Predecessor Employer with respect to one or more vessels;
- (2) The Licensed Officer becomes employed by the Contracted Employer on or after January 1, 2002 as a result of the Contracted Employer having acquired or otherwise succeeded to ownership or management/operation rights from the Predecessor Employer;
- (3) The Licensed Officer was not a participant in the Plan as of the day immediately prior to the date the Contracted Employer acquired or otherwise succeeded to ownership or management/operation rights from the Predecessor Employer; and
- (4) The Licensed Officer earns at least one (1) year of Pension Credit as a result of his employment with the Contracted Employer prior to earning any other credit under the Plan as a result of working in Covered Employment with any other Employer.

Such Prior Maritime Employment shall not be included, however, for benefit accrual purposes under the Plan.

- (c) No Change in Lump Sum Distribution Option: Notwithstanding anything to the contrary in this Plan, Pension Credit earned under this Section 3.04 shall be disregarded for purposes of eligibility to elect the Lump Sum Distribution option under Section 6.04 of these Regulations.
- (d) No Change in Retiree Medical Benefits Eligibility Rules: Pension Credit earned under this Section 3.04 shall be disregarded for purposes of eligibility for retiree medical benefits under the MEBA Medical and Benefits Plan.

- (e) Definitions: As used in this Section 3.04, the following terms shall have the following meanings:
- (1) Contracted Employer: The term “Contracted Employer” means any Employer, including its subsidiaries and affiliates, that, as of December 31, 2001, was signatory to the Trust Agreement.
  - (2) Maritime Employment: The term “Maritime Employment” includes deep sea, Great Lakes, inter-costal, State, and United States Government employment aboard a vessel as a Licensed Officer, as well as related vacation time earned as a result of such employment.
  - (3) New Participating Employer: The term “New Participating Employer” means any employer that first becomes signatory to a collective bargaining agreement with the Union on or after January 1, 2002 requiring that such employer sign and be bound by the Trust Agreement.
  - (4) Pension Credit: The term “Pension Credit” shall have the same meaning as set forth in Section 1.28 of these Rules and Regulations.
  - (5) Predecessor Employer: The term “Predecessor Employer” means any entity that owned, operated and/or managed a vessel or vessels immediately prior to a Contracted Employer’s ownership, operation and/or management of such vessel(s), and which was not itself a Contracted Employer at the time.
  - (6) Prior Maritime Employment: The term “Prior Maritime Employment” means Maritime Employment with an employer immediately prior to such employer becoming a New Participating Employer. The term “Prior Maritime Employment” shall also mean Maritime Employment with a Predecessor Employer whose ownership and/or management/operation rights with respect to any vessel is acquired or otherwise succeeded by a Contracted Employer.

### **3.05 CONTINUATION AND FORFEITURE OF PENSION CREDIT**

A nonvested Employee who incurs a period of consecutive Breaks in Service that equals or exceeds the greater of five or the aggregate Years of Vesting Credit earned prior to such period shall forfeit the Years of Vesting Credit with respect to his Pension and the Pension Credit earned prior to such period.

### **3.06 NO PENSION BENEFITS AFTER RECEIPT OF ALTERNATE LUMP SUM DISTRIBUTION**

An Employee shall not accrue any Pension benefits for work in Covered Employment after the date such Employee receives an Alternate Lump Sum Distribution as provided in Section 6.04(c).

### **3.07 CREDIT FOR PRIOR SERVICE WITH NEWLY PARTICIPATING COMPANIES**

Except as otherwise set forth in Section 3.04, prior employment with an Employer who becomes a party to the MEBA Pension Trust or its predecessor Trust on or after September 1, 1964, shall be considered in computing Pension Credit under all provisions of ARTICLE III only upon the following conditions:

- (a) the Employee earns at least two years of additional Pension Credit after the Employer becomes a party to the MEBA Pension Trust; and
- (b) the Employer agrees, with suitable guarantees, to pay to this Plan over a period of not more than 10 years, as may be determined at the discretion of the Trustees, an annual amount which will amortize the cost of the prior service liability assumed by this Plan. Such prior service liability shall be determined as follows:

- (1) the assets available for active Employees shall be determined by subtracting from total assets the reserve maintained for Retired Employees;
  - (2) the amount available for active Employees shall be divided by the number of active Employees to determine the average amount available per Employee;
  - (3) the average amount per Employee shall be multiplied by the usual number of Employees employed by the new Employer to determine such cost of prior service liability; and
  - (4) subject to subsection (c) below, the actuary of the Plan shall certify that the number of Employees who will receive Pension Credit for prior service will not dilute the total assets in that existing assets will not be used to provide benefits for Employees of the newly admitted companies.
- (c) In the event it appears that the granting of Pension Credit for prior service under this section will increase the rate of contribution or dilute the total assets, the Trustees may consider and adopt other methods of granting Pension Credit for prior service to Employees of newly admitted companies which will not have such result.

## **ARTICLE IV**

### **VESTING**

#### **4.01 VESTING**

- (a) An Employee shall have a vested and nonforfeitable right to a Pension upon the earlier of:
- (1) (A) the date he completes 10 Years of Vesting Credit, or in the case of an Employee who earns more than one hour of service on or after January 1, 1999, the date he completes five Years of Vesting Credit, or (B) in the case of an Employee who is not covered by a collective bargaining agreement and who has completed at least one hour of service on or after January 1, 1989, the date he completes five Years of Vesting Credit; or
  - (2) the date he attains Normal Retirement Age.

The amount of the Pension shall equal the Employee's Reduced Pension benefit under Section 2.02, determined as of the date he terminates Covered Employment, and shall be payable at Normal Retirement Age.

- (b) For purposes of this Section 4.01, Covered Employment described in Section 1.12(c) (MEBA Engineering School) shall be deemed employment covered by a collective bargaining agreement.

## **ARTICLE V**

### **COST OF LIVING ADJUSTMENTS**

#### **5.01 PENSIONERS WITH PENSION CREDIT AFTER JUNE 16, 1975**

Except as provided in Section 5.04, the following benefit shall be provided to a Pensioner to whom either or both Article II Pension or Article II-A Pension are applicable, and who has earned four or more quarters of Pension Credit after June 16, 1975. In the event the Consumer Price Index United States City Average

for Urban Wage Earners and Clerical Workers (or its agreed upon successor) published by the Bureau of Labor Statistics of the U.S. Department of Labor (1967 = 100) increases by 3% or more during each 12 month period from July through June (the first 12 month period to be July 1, 1976 through June 30, 1977), an eligible Pensioner on the Pension rolls as of January 1 of the following year (and on each subsequent January 1) shall receive an increase of 3% of his then existing Pension. If, in the subsequent 12 month period, the Consumer Price Index does not increase by 3%, there will be no increase in the then existing Pension for that year. No Pensioner shall receive more than 10 such increases during the period of his Retirement.

**5.02 PENSIONERS RETIRING AT OR AFTER AGE 62 WITH PENSION CREDIT AFTER JULY 1, 1981**

Except as provided in Section 5.04, the following Pension benefit shall be provided, in lieu of the benefit set forth in Section 5.01, for Pensioners to whom either or both Article II Pension or Article II-A Pension are applicable, and who have earned four quarters of Pension Credit after July 1, 1981, and who Retire on and after age 62.

In the event the Consumer Price Index — United States City Average for Urban Wage Earners and Clerical Workers (or its agreed upon successor) published by the Bureau of Labor Statistics of the U.S. Department of Labor (1967 = 100) increases by 1% or more during each 12 month period from July through June (the first 12 month period to be July 1, 1982 through June 30, 1983), an eligible Pensioner on the Pension rolls as of January 1 of the following year (and on each subsequent January 1) shall receive an increase in his then existing Pension equal to the increase in the Consumer Price Index, provided, however, that any such increase shall not exceed 6% in any one year. No Beneficiary of a Pensioner entitled to the cost of living adjustment set forth in this Section 5.02 shall be eligible for such adjustment prior to attaining the age of 62.

**5.03 CERTAIN PENSIONERS RETIRING AT AGE 60 OR 61 WITH PENSION CREDIT AFTER JULY 1, 1981**

- (a) With respect to an Employee who becomes a Pensioner on or after July 1, 1986, the benefit outlined in Section 5.02 shall be provided in lieu of the benefit outlined in Section 5.01 for those Pensioners to whom either or both Article II Pension or Article II-A Pension are applicable, and who Retire at age 60 or 61 with 30 or more years of Pension Credit, provided such Pensioner has earned:
  - (1) four quarters of Pension Credit after July 1, 1981; and
  - (2) no less than one quarter of Pension Credit in each of the two consecutive calendar years immediately preceding the year in which the Effective Date of Pension occurs.
- (b) No Beneficiary of a Pensioner entitled to a cost of living adjustment under this Section 5.03 shall be eligible for such adjustment before attaining age 60.

**5.04 LIMITATION**

- (a) Effective January 1, 1990, no Pensioner or Beneficiary shall be eligible for the cost of living adjustment set forth in Sections 5.01, 5.02 or 5.03 as of any January 1, if he has earned income in excess of \$18,000.00 during the previous calendar year.
- (b) With respect to former members of the BMO, the cost of living adjustments set forth in Sections 5.01, 5.02 and 5.03 shall not apply to the portion of the Pension attributable to years of Pension Credit earned in employment prior to October 16, 1981 for which the Employer was obligated to make contributions to the BMO Pension Plan.

## ARTICLE VI

### FORM OF DISTRIBUTION PROVISIONS

#### 6.01 NORMAL FORM OF PENSION

- (a) The normal form of Pension for an Employee who is not married on his Effective Date of Pension shall be a single life annuity.
- (b) The normal form of Pension for an Employee who is married on his Effective Date of Pension shall be a Qualified Joint and Survivor Annuity. A Qualified Joint and Survivor Annuity is an annuity under which monthly Pension payments are made to the Employee for his life in an amount determined by multiplying the monthly Pension amount payable as a single life annuity by the appropriate factor contained in an actuarially equivalent table of factors for the Qualified Joint and Survivor Annuity as provided in Appendix I to the Plan. If the Employee predeceases the spouse he was married to on his Effective Date of Pension, monthly payments in an amount equal to 50% of the monthly amount paid to the Employee shall be made to such spouse until the end of the month during which such spouse dies.
- (c) An Employee may waive the normal form of Pension and elect any other available form of Pension provided under Section 6.02, 6.03 or 6.04A by filing a Qualified Election with the Plan Office, with spousal consent, if applicable, within the 90 day period ending on the Employee's Effective Date of Pension. The term "Qualified Election" shall mean a waiver of the normal form of Pension which complies with this subsection (b). The employee must be provided with the information described in subsection (d) in connection with a Qualified Election. The Employee's waiver must be in writing and must be consented to by the Employee's spouse. The spouse's consent must be witnessed by a notary public. Notwithstanding the consent requirement, if the Employee establishes to the satisfaction of the Plan Office that such spousal consent cannot be obtained because there is no spouse or the spouse cannot be located, or if the Employee does not have a Day of Service on or after August 23, 1984, a waiver without the spouse's consent will be deemed to be a Qualified Election. Any consent will be valid only with respect to the spouse who signs the consent, or in the event of a deemed Qualified Election, the designated spouse. The spouse may not revoke the consent once it is given. The Employee may revoke his waiver without the consent of his spouse any time prior to his Effective Date of Pension; however, a new waiver shall require a new spousal consent.
- (d) The Plan Office shall furnish to the Employee, at least 30 and no more than 90 days before his Effective Date of Pension, and at any earlier time upon the Employee's written request, a written explanation of:
  - (1) the terms and conditions of the Qualified Joint and Survivor Annuity;
  - (2) the Employee's right to make, and the effect of, an election to waive the Qualified Joint and Survivor Annuity;
  - (3) the rights of the Employee's spouse to consent to any election to waive the Qualified Joint and Survivor Annuity;
  - (4) the right to make, and the effect of, a revocation of any election to waive a Qualified Joint and Survivor Annuity; and
  - (5) if the Employee has not reached his Normal Retirement Age, the Employee's right to defer commencement of his benefit until Normal Retirement Age.

## **6.02 50% “POP UP” OPTION**

- (a) An Employee may elect to receive a 50% “Pop Up” Option in lieu of the normal form of Pension described in Section 6.01. A 50% “Pop Up” Option is an annuity under which monthly Pension payments are made to the Employee for his life in an amount determined by multiplying the monthly Pension amount payable as a single life annuity by the appropriate factors contained in an Actuarial Equivalent table of factors for the 50% “Pop Up” Option derived from the assumptions set forth in Section 6.01(b). If the Employee predeceases the spouse, monthly Pension payments in an amount equal to 50% of the monthly amount paid to the Employee shall be made to his spouse until the end of the month during which the spouse dies. If the spouse predeceases the Employee, the monthly Pension payable to the Employee shall be increased, effective as of the first day of the calendar month next following the death of such spouse, to the amount that would have been payable to the Employee as a single life annuity.
- (b) An election to receive the 50% “Pop Up” Option must be filed at the Plan Office, in writing, on the form provided by the Trustees. (For Employees entitled to a Reciprocal Pension under Appendix A, an election filed at the principal office of the American Maritime Officers Pension Plan (formerly, the District 2, MEBA AMO Pension Plan) shall be deemed to have been filed at the Plan Office.) An election once filed shall remain on file in the Plan Office until a new election (including an election to cancel a prior election) has been on file in the Plan Office for two years, at which time the prior election shall be deemed to have been canceled. A properly filed election shall become effective when the Employee Retires, provided the election has been on file in the Plan Office for at least two years prior to the Effective Date of Pension. In lieu of the requirement that a properly filed election must have been on file in the Plan Office for at least two years prior to the Effective Date of Pension, an Employee wishing to elect the 50% Pop-Up Option may instead prior to the Effective Date of Pension submit a completed Statement of Health in a format satisfactory to the Trustees and satisfy the health requirements of Section 6.03(c).
- (c) In addition to the election described in subsection (b) above, the Employee wishing to elect the 50% Pop-Up Option must file a Qualified Election with the Plan Office within the 90 day period ending on his Effective Date of Pension. (For Employees entitled to a Reciprocal Pension under Appendix A, a Qualified Election filed at the principal office of the American Maritime Officers Pension Plan (formerly, the District 2, MEBA AMO Pension Plan) shall be deemed to have been filed at the Plan Office.)

## **6.03 100% REGULAR AND “POP-UP” OPTIONS, AND 75% REGULAR OPTION**

- (a) An Employee may elect in accordance with the election requirements contained in subsection (b) below, one of the following three options in lieu of the normal form of Pension described in Section 6.01:
  - (1) 100% Regular Option, under which monthly Pension payments are made to the Employee for his life in an amount determined by multiplying the monthly Pension amount payable as a single life annuity by the appropriate factor contained in an Actuarial Equivalent table of factors for the 100% Regular Option derived from the assumptions set forth in Section 6.01(b). If the Employee predeceases the spouse, monthly Pension payments in an amount equal to the monthly amount paid to the Employee shall be made to his spouse until the end of the month during which such spouse dies.
  - (2) 100% “Pop Up” Option, under which monthly Pension payments are made to the Employee for his life in an amount determined by multiplying the monthly Pension amount payable as a single life annuity by the appropriate factor contained in an Actuarial Equivalent table of factors for the 100% “Pop Up” Option derived from the assumptions set forth in Section 6.01(b). If the Employee predeceases the spouse, monthly Pension payments in an amount equal to the monthly amount paid to the



Employee shall be made to his spouse until the end of the month during which such spouse dies. If the spouse predeceases the Employee the monthly Pension payable to the Employee shall, effective as of the first of the calendar month next following the death of such spouse, be increased to the amount that would have been payable to the Employee as a single life annuity.

- (3) 75% Regular Option, under which monthly Pension payments are made to the Employee for his life in an amount determined by multiplying the monthly Pension amount payable as a single life annuity by the appropriate factor contained in an Actuarial Equivalent table of factors for the 75% Regular Option derived from the assumptions set forth in Section 6.01(b). If the Employee predeceases the spouse, monthly Pension payments in an amount equal to 75% of the monthly amount paid to the Employee shall be made to his spouse until the end of the month during which such spouse dies. This option may be elected for annuity starting dates effective after December 31, 2008.
- (b) To elect an optional method of payment described in subsection (a) above, an Employee must comply with the requirements set forth in Section 6.02(b). In lieu of the requirement that a properly filed election must have been on file in the Plan Office for at least two years prior to the Effective Date of Pension, an Employee wishing to elect an optional method of payment may instead meet the health requirements of subsection (c) below. The Statement of Health described in subsection (c) below must be completed and submitted to the Plan Office prior to the Employee's Effective Date of Pension. Notwithstanding the preceding, an Employee who is married on his Effective Date of Pension may elect the 75% Regular Option without complying with the requirements set forth in Section 6.02(b) or the health requirements of subsection (c) below.
- (c) A Statement of Health must be completed by the Employee in a format satisfactory to the Trustees. Based on a review of the Statement of Health, the Trustees will determine if the Employee can qualify for an individual life insurance policy at standard (non-rated) rates for a person the Employee's age. If the Trustees determine that the Employee fulfills such qualifications, the Employee's election of an optional method of payment will be effective. The Trustees may require additional medical information and/or require the Employee to be examined by a physician satisfactory to the Trustees in order to assist them in making their determination.

#### **6.04 LUMP SUM DISTRIBUTION**

With respect to Pension benefits accrued under Article II-A, an Employee may receive his Article II-A Pension in a 100% Lump Sum Distribution or as a 50% Lump Sum Distribution with the remaining 50% balance payable in the form of a monthly annuity (including a Survivor Option), provided that he satisfies the requirement of subsection (a), (b) or (c) below, whichever is applicable, and the requirement of subsection (d) below.

- (a) (1) An Employee satisfies the requirements of this subsection (a) if:
  - (A) he is an active Employee who (i) is eligible for a Regular Pension under Section 2A.02 or 2B.02 or (ii) has attained his Normal Retirement Age; and
  - (B) (i) but for this subsection (a) he would be eligible for the cost of living adjustment provided in Section 5.02; or
  - (ii) effective July 1, 1990 he has attained age 60, or effective July 1, 1991 he has attained age 59, or effective July 1, 1992 he has attained age 58, or effective July 1, 1993 he has attained age 55, or effective April 1, 1999 he has attained age 50; and

- (C) he has filed an election at least two years before his Effective Date of Pension, in the form and manner provided by the Trustees, to receive a Lump Sum Distribution, provided that this requirement shall be waived for an Employee who Retires on or after July 1, 1993, is at least age 55 but less than age 58 at Retirement, or who Retires on or after April 1, 1999, is at least age 50 but less than age 55 at Retirement, and files a Lump Sum Distribution election with the Trustees on or before his Effective Date of Pension. The Employee must submit a completed Statement of Health in a format satisfactory to the Trustees and satisfy the health requirements of Section 6.03(c).
  - (D) Notwithstanding anything in the Plan to the contrary, an Employee who has filed an election as described in 6.04(a)(1)(C) may, prior to the Effective Date of Pension, change his election without an additional two-year election requirement from:
    - (i) a 100% Lump Sum Distribution or a 50% Lump Sum Distribution with the remaining 50% balance payable in the form of a monthly annuity (including a Survivor Option), to a monthly annuity (including Survivor Option); or
    - (ii) a 100% Lump Sum Distribution to a 50% Lump Sum Distribution with the remaining 50% balance payable in the form of a monthly annuity (including a Survivor Option).
- (2) (A) Regular Pension. The amount received by an Employee who is eligible for a Regular Pension under Section 2A.02 and who is not described in subsection (a)(1)(C), pursuant to a Lump Sum Distribution election under this subsection (a) shall be the Actuarial Equivalent of the Employee's Regular Pension, assuming no cost of living adjustment as provided by Section 5.02 and using an actuarial factor set forth in Table A below. With respect only to that portion of the Pension not subject to such cost of living adjustment because of Section 5.04(b), excluding any Pension that is not subject to a cost of living adjustment as a result of an Employee election to have his benefit calculated under the Schedule in Section 2A.02(d), the interest rate assumption shall be the lesser of 11% or the rate determined under Section 1.01.
- (B) Reduced Pension. The amount received by an Employee, who has attained his Normal Retirement Age but who is not eligible for a Regular Pension under Section 2A.02, pursuant to a Lump Sum Distribution election under this subsection (a) shall be the Actuarial Equivalent of the Employee's Reduced Pension under Section 2.02, assuming no cost of living adjustment as provided by ARTICLE V and using an 11% interest assumption, subject to the provisions of Section 1.01 providing for minimum amounts based on PBGC rates.
- (C) Regular Pension & Prior Election Waived. The amount received by an Employee, who is eligible for a Regular Pension under Section 2A.02 and who is described in subsection (a)(1)(C), pursuant to a Lump Sum Distribution election under this subsection (a) shall be the Actuarial Equivalent of the Employee's Regular Pension under Section 2A.02, assuming no cost of living adjustment as provided by ARTICLE V and using an 11% interest assumption, subject to the provisions of Section 1.01 providing for minimum amounts based on PBGC rates.

**TABLE A**  
**LUMP SUM VALUE PER \$1,000 PER MONTH**

<b>Age</b>	<b>Value</b>
70	\$100,630
69	104,300
68	108,020
67	111,770
66	115,540
65	119,330
64	123,100
63	126,850
62	130,540
61	130,540*
60	130,540*
59	130,540
58	130,540

\* For age 60 or 61 with less than 30 years. For age 60 and 61 with 30 years or more use \$137,800 and \$134,200, respectively.

- (b) (1) An Employee satisfies the requirements of this subsection (b) if:
  - (A) he is an active Employee, eligible for a Regular Pension under Section 2A.02, based on 30 or more years of Pension Credit;
  - (B) he Retires on or after July 1, 1986 and has attained age 60;
  - (C) but for this subsection (b), he would be eligible for the cost of living adjustment provided in Section 5.03; and
  - (D) he has filed an election at least two years before his Effective Date of Pension, in the form and manner provided by the Trustees, to receive a Lump Sum Distribution, provided that this requirement shall be waived for an Employee who retires after July 1, 1992, files a Lump Sum Distribution election with the Trustees on or before his Effective Date of Pension, and submits a completed Statement of Health in a format satisfactory to the Trustees and satisfy the health requirements of Section 6.03(c).
- (2) The amount received by the Employee pursuant to an election under this subsection (b) shall be the Actuarial Equivalent of the Employee's Regular Pension, assuming no cost of living adjustment as provided by Section 5.03, and using a 5% interest assumption, or subject to Section 1.01, and with respect to that portion of the Pension not subject to such cost of living adjustment, an 11% interest assumption.
- (c) (1) An Employee satisfies the requirements of this subsection (c), notwithstanding continued Participation in the Plan, if:
  - (A) he has filed an election on or after June 17, 1987 to receive his Alternate Lump Sum Distribution on or after November 1, 1987;
  - (B) he was employed by an Employer prior to January 1, 1956;
  - (C) he is eligible for a Regular Pension based on 35 or more years of Pension Credit;

- (D) he has attained Normal Retirement Age;
  - (E) he has filed an election for a Lump Sum Distribution pursuant to subsections (a) or (b) above in the form and manner provided by the Trustees; and
  - (F) but for this subsection (c) he would be eligible for the cost of living adjustments provided in Sections 5.02 or 5.03.
  - (G) The amount received by an Employee pursuant to an election under this subsection (c) shall be the Actuarial Equivalent of the Employee's Regular Pension, assuming no cost of living adjustment as provided by Sections 5.02 or 5.03 and using a 5% interest rate assumption, or, subject to Section 1.01 and with respect only to that portion of the Pension not subject to such cost of living adjustment, an 11% assumption. Notwithstanding any other provision of these Regulations, the amount of any Alternate Lump Sum Distribution paid under this subsection (c) shall be determined based only on the Employee's Regular Pension benefit earned as of December 31, 1992. Any Regular Pension benefit earned after December 31, 1992, shall be disregarded in determining the amount of an Alternate Lump Sum Distribution under this subsection (c). The amount of any such Regular Pension benefit so disregarded shall be paid in such other method of distribution and at such other time as the Employee may become entitled to in accordance with these Regulations.
- (d) The requirements of this subsection (d) are satisfied if:
- (1) the Employee has not elected to receive a Disability Pension;
  - (2) the Employee files a Qualified Election with the Plan Office within the 90 day period ending on his Effective Date of Pension;
  - (3) the Employee has not previously received a Lump Sum Distribution of his Pension benefit;
  - (4) the Employee does not die prior to his Effective Date of Pension;
  - (5) the Plan's actuary certifies that, based on an actuarial valuation or special valuation of retired lives occurring within 1 ½ years of the Effective Date of Pension:
    - (A) the actuarial value of the Fund equals or exceeds 225% of the actuarial reserve for retired lives as of the valuation date; and
    - (B) on the application date, the actuarial value of the Fund, reduced by distributions occurring after the valuation date, equals or exceeds 200% of the actuarial reserve for retired lives as of the valuation date; and
  - (6) payment of a lump sum to the Employee is permitted under the pre-termination restrictions on distributions of Treasury Regulation §1.401(a)(4)-5(b).
- (e) If, as a result of subsection (d)(5) above, an Employee's application for a Lump Sum Distribution is denied, the Employee may elect, subject to the requirements of Section 6.02, to receive his Pension in any form of annuity permitted without regard to the two year advance election requirement of Section 6.02, or, subject to the requirements of these Regulations, to postpone his application for benefits until a new actuarial valuation or special valuation of retired lives is made.

- (f) With respect to Pension benefits accrued under Articles II-A and II-B, an Employee may elect to receive such Pension benefits in a partial Lump Sum Distribution, with an amount equal to up to 60 months of monthly annuity benefit payments (i.e., 12, 24, 36, 48 or 60 months) with the remainder payable in the form of a monthly annuity option described in Sections 6.02 and 6.03, provided the Employee would otherwise be eligible for a Lump Sum Distribution under subsection (a) above and satisfies the requirement for subsection (d) above. This Lump Sum Distribution Option is not available for Employees electing the cost of living pension under Section 2B.02.(d).

Notwithstanding any provisions hereof to the contrary, the provisions of subsection (f) shall apply with respect to the payment of Lump Sum Distributions of Pension benefits accrued under Article II-B.

- (g) Suspension of Lump Sum Distribution. Notwithstanding anything in this Plan to the contrary, effective for annuity starting dates on or after May 1, 2015, no Lump Sum Distribution may be paid under this Section 6.04. Any Lump Sum Distribution election made in accordance with Section 6.04(a)(1)(C) or (D), Section 6.04(b)(1)(D), or Section 6.04(c)(1)(E) shall cease to be effective

#### **6.04A PARTIAL LUMP SUM DISTRIBUTION**

- (a) A Partial Lump Sum Distribution may be paid under the Plan for any Lump Sum Possible Plan Year only if and to the extent permitted under this Section 6.04A. For the avoidance of doubt, no Lump Sum Distribution may be paid under the Plan and its Appendices, including but not limited to Appendices F, H and K, except as provided under this Section 6.04A. A Partial Lump Sum Distribution shall not be made available under this Section 6.04A for a benefit, such as a Disability Pension, that immediately prior to May 1, 2015 was not payable as a Lump Sum Distribution.
- (b) An Employee who has attained age 55 may be permitted during a Lump Sum Possible Plan Year to elect, pursuant to a Qualified Election that meets the requirements of Section 6.01, to receive a partial Lump Sum Distribution under the terms of this subsection 6.04A (b)(i) or (ii), subject to other provisions of this Section 6.04A.
- (i) An Employee may elect a partial Lump Sum Distribution in the amount of 12 months of monthly single life annuity payments or 24 months of monthly single life annuity payments if, as of the first day of the Lump Sum Possible Plan Year, the interest rate specified by the Internal Revenue Service under Code Section 417(e)(3) as of the Plan's lookback month (August) is the equivalent of 5.75% or more.
- (ii) An Employee may elect a partial Lump Sum Distribution in the amount of 12 months of monthly annuity payments, 24 months of monthly single life annuity payments or 36 months of monthly single life annuity payments if, as of the first day of the Lump Sum Possible Plan Year, the interest rate specified by the Internal Revenue Service under Code Section 417(e)(3) as of the Plan's lookback month (August) is the equivalent of 6.75% or more.

For purposes of this Subsection 6.04A(b), the Code section 417(e)(3) interest rate equivalent shall be determined by the Plan's actuary as the single interest rate that produces the same actuarial present value of a monthly single life annuity payable at age 55 if the annuity were determined using the applicable interest rate under Section 1.01(g) and applicable mortality table under Section 1.01(f)(1).

- (c) The maximum partial Lump Sum Distribution amount that may be paid under this Section 6.04A is an amount equal to 36 months of monthly single life annuity benefit payments.
- (d) The partial Lump Sum Distribution Option described in this Section 6.04A is not available for Employees electing the cost of living pension under Sections 2A.02(c) or 2B.02 (d).

**6.05 ELECTION FOR ANNUITY FORM OF DISTRIBUTION UNDER BOTH ARTICLE II-A AND ARTICLE II-B**

An Employee who has Pension benefits accrued under the provisions of both Article II-A and Article II-B and who elects an annuity form of benefit for Article II-A Pension must use the same annuity form for the portion of his Pension calculated under Article II-B, except as provided under Section 6.04(f) above.

## ARTICLE VII

### DISTRIBUTION TIMING RULES

#### 7.01 GENERAL

- (a) Notwithstanding any provision in these Regulations to the contrary, or an Employee elects otherwise, payment of an Employee's Pension shall begin no later than the 60th day after the later of the close of the Plan Year in which:
  - (1) the Employee reaches his Normal Retirement Age; or
  - (2) the Employee Retires.
- (b) Distributions under this Plan shall be made in accordance with regulations issued by the Secretary of the Treasury under Code Section 401(a)(9), including §1.401(a)(9)-2, which regulations shall override any distribution options in this Plan inconsistent with Section 401(a)(9).
- (c) Notwithstanding any provision in these Regulations to the contrary, if the lump sum Actuarial Equivalent of an Employee's benefit exceeds \$1,000, the benefit shall not be paid to the Employee before he attains Normal Retirement Age without the written consent of the Employee, and the consent of his spouse where otherwise required by these Regulations, in the form and manner provided by the Trustees.

#### 7.02 MINIMUM DISTRIBUTION RULES

- (a) General Rules.
  - (1) Precedence. The requirements of this Section 7.02 will take precedence over any inconsistent provisions of these Regulations concerning Pension distributions, even if such provisions specifically indicate to the contrary.
  - (2) Requirements of Treasury Regulations Incorporated. All distributions required under this Section 7.02 will be determined and made in accordance with Treasury Regulations under Code Section 401(a)(9) and final regulations issued on April 17, 2002.
  - (3) TEFRA Section 242(b)(2) Elections. Notwithstanding the provisions of this Section 7.02, other than Section 7.02(a)(2), distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.
- (b) Time and Manner of Distribution.
  - (1) Required Beginning Date. The Employee's entire interest will be distributed, or begin to be distributed, to the Employee no later than the Employee's Required Beginning Date.
  - (2) Death of Employee Before Distributions Begin. If the Employee dies before distributions begin, the Employee's entire interest will be distributed, or begin to be distributed, no later than as follows:
    - (A) If the Employee's surviving spouse is the Employee's sole designated Beneficiary, then, except as elected pursuant to Section 7.02(b)(2)(E) distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Employee died, or by

December 31 of the calendar year in which the Employee would have attained age 70 ½, if later.

- (B) If the Employee's surviving spouse is not the Employee's sole designated Beneficiary, then, except as elected pursuant to Section 7.02(b)(2)(E), distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Employee died.
- (C) If there is no designated Beneficiary as of September 30 of the year following the year of the Employee's death, the Employee's interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Employee's death.
- (D) If the Employee's surviving spouse is the Employee's sole designated Beneficiary and the surviving spouse dies after the Employee but before distributions to the surviving spouse begin, this Section 7.02(b)(2), other than Section 7.02(b)(2)(A), will apply as if the surviving spouse were the Employee.
- (E) Employees or Beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in Section 7.02(b)(2) and Section 7.02(e) of these Regulations applies to distributions after the death of an Employee who has a designated Beneficiary (and an election by a Beneficiary after the death of the Employee will supersede any election by the Employee). The election must be made no later than the earlier of (A) September 30 of the calendar year in which distribution would be required to begin under Plan Section 7.02(b)(2), or (B) by September 30 of the calendar year which contains the fifth anniversary of the Employee's (or, if applicable, surviving spouse's) death. If neither the Employee nor the Beneficiary makes an election under this Section 7.02(b)(2)(E), distributions will be made in accordance with Section 7.02(b)(2) and Section 7.02(e) of the Regulations (as apply in the absence of such election).

For purposes of this Section 7.02(b)(2) and Section 7.02(e), distributions are considered to begin on the Employee's Required Beginning Date (or, if Section 7.02(b)(2)(D) applies, the date distributions are required to begin to the surviving spouse under Section 7.02(b)(2)(D)). If annuity payments irrevocably commence to the Employee before the Employee's Required Beginning Date (or to the Employee's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 7.02(b)(2)), the date distributions are considered to begin is the date distributions actually commence.

- (3) Forms of Distribution. Unless the Employee's interest is distributed in the form of an annuity purchased from an insurance company, or in a single sum on or before the required beginning date as of the first distribution calendar year distributions will be made in accordance with Sections 7.02(c) thru 7.02(e). If the Employee's interest is in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury Regulations. Any part of the Employee's interest which is in the form of an individual account described in Code Section 414(k) will be distributed in a manner satisfying the requirements of Code Section 401(a)(9) and the Treasury Regulations that apply to individual accounts.

- (c) Determination of Amount to be Distributed Each Year.



(1) General Annuity Requirements. If the Employee's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

- (A) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;
- (B) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Sections 7.02(b), (d) and (e);
- (C) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum period;
- (D) payments will either be non-increasing or increase as follows:
  - (i) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
  - (ii) to the extent of the reduction in the amount of the Employee's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in Section 7.02(d) dies or is no longer the Employee's Beneficiary pursuant to a qualified domestic relations order within the meaning of Code Section 414(p);
  - (iii) to provide cash refunds of Employee contributions upon the Employee's death; or
  - (iv) to pay increased benefits that result from a Plan amendment.

(2) Amount required to be distributed by Required Beginning Date. The amount that must be distributed on or before the Employee's Required Beginning Date (or, if the Employee dies before distributions begin, the date distributions are required to begin under Sections 7.02(b)(2)(A) and (b)(2)(B) is the payment that is required for one payment interval). The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Employee's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Employee's Required Beginning Date.

(3) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Employee in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(d) Requirements for Annuity Distributions that Commence During Employee's Lifetime.

Period Certain Annuities. Unless the Employee's spouse is the sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Employee's lifetime may not exceed the applicable distribution period for the Employee under the Uniform Lifetime Table set forth in Treasury Regulations §1.401(a)(9)-9 for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Employee reaches age 70 under the Uniform

Lifetime Table set forth in Treasury Regulations §1.401(a)(9)-9 plus the excess of 70 over the age of the Employee as of the Employee's birthday in the year that contains the annuity starting date. If the Employee's spouse is the Employee's sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Employee's applicable distribution period, as determined under this Section 7.02(d), or the joint life and last survivor expectancy of the Employee and the Employee's spouse as determined under the Joint and Last Survivor Table set forth in Treasury Regulations §1.401(a)(9)-9, using the Employee's and spouse's attained ages as of the Employee's and spouse's birthdays in the calendar year that contains the annuity starting date.

- (e) **Requirements for Minimum Distributions Where Participant Dies Before Date Distributions Begin.**
- (1) **Employee Survived by Designated Beneficiary.** Except as provided herein, if the Employee dies before the date distribution of his or her interest begins and there is a designated Beneficiary, the Employee's entire interest will be distributed, beginning no later than the time described in Section 7.02(b)(1) or (b)(2), over the life of the designated Beneficiary or over a period certain not exceeding:
- (A) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary birthday in the calendar year immediately following the calendar year of the Employee's death; or
- (B) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year that contains the annuity starting date.
- (2) **No Designated Beneficiary.** If the Employee dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Employee's death, distribution of the Employee's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Employee's death.
- (3) **Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.** If the Employee dies before the date distributions of his or her interest begins, the Employee's surviving spouse is the Employee's sole designated Beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section 7.02(e) will apply as if the surviving spouse were the Employee, except that the time by which distributions must begin will be determined without regard to Section 7.02(b)(2).
- (f) **Definitions.**
- (1) **Designated Beneficiary.** The "designated Beneficiary" means the individual who is designated as the Beneficiary under these Regulations and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation §1.401(a)(9)-4.
- (2) **Distribution calendar year.** The "distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Employee's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Employee's required beginning date. For distributions beginning after the Employee's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 7.02(b)(2).

- (3) Life expectancy. “Life expectancy” means the life expectancy as computed by use of the Single Life Table in Treasury Regulation §1.401(a)(9)-9.
- (4) Required Beginning Date. “Required Beginning Date” means (1) for an Employee who is not a 5% owner (as defined in Code Section 416(i)(1)) the April 1 following the later of the calendar year in which the Employee attains age 70 ½ or the calendar year in which the Employee terminates employment and (2) for an Employee who is a 5% owner (as defined in Code Section 416(i)(1)) the April 1 following the calendar year in which the Employee attains age 70 ½ .

### **7.03 CASH OUT PROVISION**

Notwithstanding any provision in these Regulations to the contrary, if the lump sum Actuarial Equivalent of any benefit payable to an Employee, Pensioner, or Beneficiary is \$1,000 or less, and payment of such benefit has not previously begun, such benefit shall be paid in a lump sum payment upon election to begin distribution.

### **7.04 DIRECT ROLLOVERS**

- (a) Notwithstanding any provision of these Regulations to the contrary that would otherwise limit a Distributee’s election under this Section 7.04, a Distributee may elect, at the time and in the manner prescribed by the Plan Office, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.
- (b) For purposes of this Section 7.04, the following terms have the following meanings:
  - (1) Direct Rollover - A Direct Rollover is a payment by the Plan to an Eligible Retirement Plan specified by the Distributee.
  - (2) Distributee - A Distributee includes an Employee or former Employee. In addition, the Employee’s or former Employee’s surviving spouse and the Employee’s or former Employee’s spouse or former spouse, who is an alternate payee under a qualified domestic relations order as defined in Code Section 414(p), are Distributees with regard to the interest of the spouse or former spouse. Effective June 1, 2007, Distributee also includes a non-spouse designated Beneficiary to the extent permitted under Code Section 402(c)(11).
  - (3) Eligible Retirement Plan - An Eligible Retirement Plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), a qualified trust described in Code Section 401(a), an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A) where such plan agrees to separately account for amounts rolled into the plan, an annuity contract described in Code Section 403(b). Effective January 1, 2008, Eligible Retirement Plan shall include an individual retirement account described in Code Section 408A, provided the eligible rollover distribution is considered a qualified rollover contribution under Code Section 408A(e). Effective June 1, 2007, for purposes of distributions to a non-spouse designated Beneficiary, Eligible Retirement Plan shall mean an inherited individual retirement account as defined in Code Section 408(d)(3)(C).
  - (4) Eligible Rollover Distribution - An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the

Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities). Notwithstanding the preceding, effective January 1, 2007, the nontaxable portion of an Eligible Rollover Distribution may be rolled over tax-free to another qualified plan or 403(b) annuity, but only if the rollover is made in a direct trustee-to-trustee transfer and the recipient plan or 403(b) annuity provides for separate accounting of the amount transferred and earnings on such amounts.

#### **7.05 UNDELIVERABLE BENEFITS**

- (a) Notwithstanding any provision to the contrary, if benefits become distributable under the Plan and the Plan Office is unable after a making a reasonable effort to locate the Participant, Beneficiary or spouse to whom the benefits are payable, the benefits of such Participant, Beneficiary or spouse shall be forfeited as of the end of the Plan Year that follows the Plan Year in which such benefits became distributable (or as soon as practicable thereafter). Similarly, if a check is issued to a Participant, Beneficiary or spouse but remains uncashed and, after making a reasonable effort, the Plan Office is unable to locate the Participant or Beneficiary to whom the check was issued (or the Participant, Beneficiary or spouse is located but fails or refuses to cash the check), the uncashed check of such Participant, Beneficiary or spouse shall be forfeited as of the end of the Plan Year that includes the twelfth month after the date such check was issued. A record of the undeliverable amount (or uncashed check amount) shall be maintained and if such Participant, Beneficiary or spouse subsequently makes proper claim for such amounts, the amount shall be restored and shall be distributed to such Participant, Beneficiary or spouse in accordance with terms of the Plan, but without any interest or earnings.
- (b) In the event that any amounts are forfeited under Section 7.05, such amounts shall be held as assets of the MEBA Pension Trust, and shall be used for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying the reasonable expenses of administering the Plan.

## ARTICLE VIII

### BENEFITS PAYABLE TO BENEFICIARIES

#### 8.01 ACCRUED PENSION BENEFITS PAYABLE BEFORE DEATH

Upon the death of a Pensioner, any benefits that were otherwise payable to him prior to his death, but have not yet been paid, shall be paid to one of the following persons in the order named:

- (a) the spouse, provided such spouse was married to the Pensioner on the date of the Pensioner's death;
- (b) the named Beneficiary for the Life Benefit under the MEBA Medical and Benefits Plan; or
- (c) the Pensioner's estate.

#### 8.02 BENEFITS THAT BECOME PAYABLE UPON THE DEATH OF A PENSIONER

If a Pensioner, including a reemployed Pensioner whose benefits have been suspended under Sections 2.08 or 2.09 dies on or after his Effective Date of Pension, there shall be payable to one of the following persons, in the order named, the applicable monthly benefit set forth below:

- (a) **Benefit Payable to a Spouse:** If the Pensioner is receiving a Pension (or would be receiving a Pension but for suspension of benefits) in a form described under Sections 6.01, 6.02 or 6.03 which provides for a surviving spouse benefit, an annuity shall be payable to the surviving spouse as described in the applicable Section.
- (b) **Benefit Payable to Children:** If (1) the Pensioner is receiving a single life annuity (or would be receiving such a benefit but for suspension of benefits) and leaves no surviving spouse, or is receiving a Pension in a form described in Sections 6.01, 6.02 or 6.03 (or would be receiving such a benefit but for suspension of benefits) and (2) the Pensioner, and surviving spouse if applicable, die before a total of 60 monthly payments have been made, payment of the monthly Pension amount shall continue to be made up to a maximum of 60 payments, including those made to the Pensioner and spouse, to his children and adopted children, provided the child is below the age of 21 at the time of the death of the Pensioner, and stepchildren who are members of the household of the Pensioner and dependent upon him for support and under age 21 at the time of the death of the Pensioner. Such payments shall continue through the month in which the child either attains age 21 or is married, whichever occurs first, but in no event shall such payments continue beyond the expiration of the required 60 monthly payments. At the time the benefit share allocated to such child ceases, his share shall be distributed equally to the then remaining child or children entitled to receive benefits under this subsection (b).
- (c) **Benefit Payable to Parents:** If (1) the Pensioner is receiving a single life annuity, or is receiving a Pension in a form described in Sections 6.01, 6.02 or 6.03 (or would be receiving such benefits but for suspension of benefits) and (2) the Pensioner and surviving spouse, if applicable, die before a total of 60 monthly payments have been made, and (3) there is no surviving spouse or children described in subsection (b) above, then payment of the monthly Pension amount shall continue to be made up to a maximum of 60 payments, including those made to the Pensioner and spouse, to the Pensioner's "dependent parents" as defined under the MEBA Medical and Benefits Plan.
- (d) Notwithstanding anything in this Section 8.02 to the contrary, benefits shall not be payable under this Section 8.02 if any of the following conditions exist at the Pensioner's date of death:
  - (1) there is a surviving spouse who is not entitled to receive a benefit set forth in subsection (a) above;

- (2) there is no surviving spouse and the Pensioner had received 60 or more benefit payments prior to his death;
- (3) no qualified Beneficiary as set forth in subsection (b) or (c) above survives the Pensioner; or
- (4) the Pensioner received a Lump Sum Distribution.

### **8.03 BENEFITS PAYABLE UPON THE DEATH OF AN ACTIVE EMPLOYEE**

If an Employee dies before his Effective Date of Pension with a nonforfeitable right to a Pension at the date of death, there shall be payable to one of the following persons, in the order named, the applicable monthly benefit set forth below:

(a) Benefit Payable to Spouse.

(1) A Qualified Preretirement Survivor Annuity shall be provided to the surviving spouse of the Employee. The term "Qualified Preretirement Survivor Annuity" shall mean an annuity for the life of the surviving spouse of the Employee the amount of which shall be determined as follows:

(A) if an Employee dies after his earliest retirement age, the amount of the annuity shall equal the amount that would be payable under the survivor portion of a Qualified Joint and Survivor Annuity, determined on the day before his death.

(B) if an Employee dies on or before his earliest retirement age, the amount of the annuity shall equal the amount that would be payable as a survivor annuity under the survivor portion of a Qualified Joint and Survivor Annuity had the Employee:

(i) terminated Covered Employment on the date of death;

(ii) survived to his earliest retirement age;

(iii) retired with an immediate Qualified Joint and Survivor Annuity at his earliest retirement age; and

(iv) died the next day.

(C) The term "earliest retirement age" shall mean the earliest date on which the Employee is entitled to receive a Pension under these Regulations.

(D) The surviving spouse may direct the commencement of payments under the Qualified Preretirement Survivor Annuity in the following circumstances:

(i) if the surviving spouse elects to commence a Qualified Preretirement Survivor Annuity no earlier than the month in which the Employee would have attained his earliest retirement age, the benefit shall be calculated as set forth in this Section 8.03; or

(ii) if the surviving spouse elects to receive a Qualified Preretirement Survivor Annuity prior to the month in which the Employee would have attained his earliest retirement age, the benefit shall be the Actuarial Equivalent of the amount which would otherwise be payable under option (i) above.

- (2) If the Employee had on file in the Plan Office for at least two years prior to his death an election for a Pension payable in a form described under Sections 6.02 or 6.03 (or in lieu of the two year filing requirement the Employee submits a completed Statement of Health before his death in a format satisfactory to the Trustees and satisfies the health requirements of Section 6.03(c)) there shall be payable to the spouse a benefit equal to the benefit that would have been payable under such form had the Employee's Retirement occurred prior to death. This paragraph (2) shall not apply to an election of an optional form of Pension described in Section 6.03 unless such election was filed with the Plan Office prior to January 1, 1986, or after October 31, 1992. If this paragraph (2) does not apply to such an election, the surviving spouse shall receive a Qualified Preretirement Survivor Annuity described in paragraph (1) above, provided such spouse is otherwise eligible to receive such an Annuity, unless such spouse shall be entitled to a Lump Sum Distribution under Section 8.04.

Notwithstanding the above, the two-year waiting period will be waived for an election made on or before December 31, 2015 by an Employee with a Lump Sum election made under Section 6.04(a)(1)(C) or (D), Section 6.04(b)(1)(D), or Section 6.04(c)(1)(E) on file with the Plan Office on [August 1, 2015]. This waiver of the two-year waiting period will apply to one new form of benefit election made before December 31, 2015. The waiver of the two-year waiting requirement will not apply to any subsequent elections made on or before December 31, 2015, and all such subsequent elections, as well as elections made on or after January 1, 2016, will be subject to the two-year waiting requirement (or alternative Statement of Health requirement).

- (3) Notwithstanding anything to the contrary in this subsection (a), a surviving spouse shall not be entitled to a benefit under this subsection (a) unless the Employee and the surviving spouse were married throughout the one year period ending on the Employee's date of death.
- (b) Benefit Payable to Children: In the event the Employee dies leaving no surviving spouse who is entitled to a benefit under subsection (a) above, there shall be payable in equal shares to the Children, a monthly benefit equal to 50% of the Pension to which the Employee would have been entitled at the time of his death. Payment of such benefit to each Child shall continue until the month in which he ceases to be a Child within the meaning of this Section 8.03, at which time the benefit share allocated to such child shall be distributed equally to the then remaining Child or Children. For purposes of this Section 8.03, the term "Child" or "Children" means the child/children, adopted child/children and stepchild/stepchildren, who are members of the household of the Employee, dependent upon him for support and below the age 18 or, if still in high school at age 18, until the completion of high school or the attainment of age 19, whichever occurs first.
- (c) Benefit Payable to Parents: In the event the Employee dies leaving no surviving spouse who is entitled to a benefit under subsection (a) above and no children who are entitled to a benefit under subsection (b) above, there shall be payable in equal shares, to his "dependent parents" as defined under the MEBA Medical and Benefits Plan, or if the Employee left only one such surviving parent, then to such parent, a monthly benefit equal to 50% of the Pension amount to which the Employee would have been entitled at the time of his death. Payment of such benefit to each such parent shall continue through the month during which such parent dies, at which time the benefit share allocated to such parent shall be distributed to the then remaining dependent parent, if any.
- (d) Benefits Payable on the Death of an Active Employee: An Employee who is eligible for and who elects to receive a Lump Sum Distribution in accordance with Section 6.04 of these Regulations shall have the right, at the time he first becomes eligible to make such election (or by December 31, 2002 if eligible to make such election before that date), to designate, in writing with the Plan Office, one or more of his natural, adopted, or step children (of any age and/or place of residence) to be the Beneficiary of the Lump Sum Distribution which would have been payable to the

Employee had the Employee's Retirement occurred prior to his death (on or after January 1, 2002); provided, however, that such benefit shall be payable only if the Employee had no spouse who is entitled to receive a death benefit on the date of the Employee's death. Such designation shall be irrevocable and the Employee's Pension shall be reduced, based on the factors set forth in Appendix G, for each month in the period from the date the election is made to the Effective Date of Pension. If a benefit is payable pursuant to this subsection (d), no benefit shall be payable under subsection (b) or (c) above.

#### **8.04 SPOUSAL ELECTION – PARTIAL LUMP SUM DISTRIBUTIONS**

The spouse of a deceased Employee whose death occurred prior to his Effective Date of Pension may elect, in writing, in the form and manner provided by the Trustees, to have the benefits payable in a partial Lump Sum Distribution if and to the extent permitted pursuant to Section 6.04A, with any remaining benefits payable in the form provided under Section 8.03(a).

#### **8.05 DESIGNATION OF BENEFICIARY**

- (a) An Employee may designate any person, other than his creditors or the creditors of his estate, as a Beneficiary, provided that a married Employee may designate a Beneficiary other than his surviving spouse only if the surviving spouse has consented in writing, on the form provided by the Plan Office. The spouse's consent must be witnessed by a notary public. Any consent will be valid only with respect to the spouse who signs it. The spouse may not revoke the consent once it is given. The Employee may revoke the designation at any time prior to his Effective Date of Pension; however, a new designation, or change of Beneficiary, shall require a new spousal consent.
- (b) If no Beneficiary has been designated in accordance with subsection (a) above, or if such designated Beneficiary dies before distribution of benefits has been completed, the Beneficiary shall be one of the following, in the order named:
  - (1) the Employee's spouse;
  - (2) the named beneficiary for the Life Benefit under the MEBA Medical and Benefits Plan. "Named beneficiary" excludes any recipient identified under a provision of such plans which takes effect in the event there is no designated beneficiary;
  - (3) the Employee's estate.
- (c) Any Beneficiary designation shall be subject to the provisions of a qualified domestic relations order within the meaning of ERISA Section 206(d)(3).

#### **8.06 DEATH DURING QUALIFIED MILITARY SERVICE**

Effective January 1, 2007, a participant who dies during qualified military service (as defined under USERRA) with reemployment rights (as described in Code Section 414(u)) will be treated as if the participant had returned to Covered Employment and then terminated employment on account of death during active employment for purposes of determining the amount of or entitlement to any benefits, other than accruals, payable to the Employee's Beneficiary under the Plan.



## **ARTICLE IX**

### **RECIPROCITY**

#### **9.01 RECIPROCITY**

- (a) If an Employer is not obligated to make contributions to the MEBA Pension Trust on behalf of Employees and adopts a pension plan covering Employees represented by the Union or ROU, and if such pension plan recognizes Years of Vesting Credit under this Plan and/or combining of such Vesting Credit with credit under that plan for benefit purposes, the Trustees may recognize such combination and grant an Employee Years of Vesting Credit for the total amount of such service, provided that the financial obligations of this Plan shall be limited to Pension Credit accrued under this Plan.
  
- (b) If an Employer is not obligated to make contributions to the MEBA Pension Trust on behalf of Employees and adopts the MEBA Inland Staff Pension Plan (formerly, the "District No. 1 - Pacific Coast District, MEBA Staff Pension Plan") (the "Staff Plan"), and if the Staff Plan recognizes Years of Vesting Credit under this Plan and/or combining of such Vesting Credit with credit under the Staff Plan for benefit purposes, the Trustees may recognize such combination and grant the Employee Years of Vesting Credit for the total amount of such service, provided that the financial obligations of this Plan shall be limited to Pension Credit accrued under this Plan.

## **ARTICLE X**

### **BENEFIT PAYMENTS TO EMPLOYEES — APPEAL PROCEDURE**

#### **10.01 BENEFIT PAYMENTS GENERALLY**

An Employee who makes application in accordance with these Regulations shall be entitled upon Retirement to receive the specified monthly benefit subject to all of the provisions of these Regulations. Benefits shall be payable commencing with the first full month when the Employee has fulfilled all of the conditions for entitlement to benefits and ending with the payment for the month in which the death of the Pensioner occurs.

#### **10.02 DISABILITY PENSION PAYMENTS**

The Disability Pension shall be payable when the Employee meets all requirements for such a Pension and shall continue thereafter until death, so long as the Employee continues to be Disabled.

#### **10.03 ADVANCE WRITTEN APPLICATIONS REQUIRED**

Application for a Pension shall be made in writing, in the form and manner provided by the Trustees, no later than in the calendar month immediately preceding the first month for which benefits are payable.

#### **10.04 INFORMATION REQUIRED**

Each Employee, Pensioner, and Beneficiary shall furnish to the Trustees any information or proof requested by them and reasonably required to administer these Regulations. Failure on the part of any Employee, Pensioner, or Beneficiary to comply with such request promptly and in good faith shall be sufficient grounds for denying or discontinuing benefit payments. If an Employee, Pensioner, or Beneficiary makes a false statement material to his claim for benefits, he may be denied any or all benefits, and the Trustees shall have the right to recover any payments made in reliance on such false statement.

#### **10.05 STANDARD OF PROOF**

The Trustees shall be the sole judges of the standard of proof required in any case. In the application and interpretation of these Regulations, the decision of the Trustees shall be final and binding on all parties including, but not limited to, Employees, Pensioners, Beneficiaries, Employers, the Association, the Union and the ROU. The Trustees may adopt procedures for the determination of Pension Credit in advance of the filing of Pension applications.

#### **10.06 NON ASSIGNMENT OF BENEFITS AND QUALIFIED DOMESTIC RELATIONS ORDERS**

- (a) No Employee, Pensioner, or Beneficiary shall have any right to assign, alienate, transfer, sell, hypothecate, mortgage, encumber, pledge, commute or anticipate any benefits under this Plan and, except as set forth below, such benefits shall not in any way be subject to any legal process to levy execution upon, or attachment proceedings against, the same for the payment of any claim against any Employee, Pensioner, or Beneficiary, nor shall such payment be subject to the jurisdiction of any bankruptcy court or insolvency proceedings by operation of law or otherwise, and any such assignment shall be void and of no effect whatsoever; provided, however, that the MEBA Pension Trust shall recognize and honor any voluntary and revocable assignment to an organization or an entity approved in advance by the Trustees in any amount not to exceed 10% of any benefit payment.
- (b) This Section 10.06 shall not apply to the extent provided for in a qualified domestic relations order as defined in ERISA Section 206(d)(3) and the procedures established by the Trustees. The

entitlement of any person to benefits under this Plan shall be subject to the provisions of a qualified domestic relations order within the meaning of ERISA Section 206(d)(3).

- (c) This Section 10.06 shall not apply to any liabilities of the participant to the Plan pursuant to a judgment or settlement described in Code Section 401(a)(13)(C) due to (i) the participant being convicted of committing a crime involving the Plan, (ii) a civil judgment (or consent order or decree) being entered by a court in an action brought in connection with a violation of ERISA's fiduciary duty rules, or (iii) a settlement agreement between the Secretary of Labor and the participant in connection with a violation of ERISA's fiduciary rules. The court order establishing such liability must require that the Participant's benefit be applied to satisfy the liability.

#### **10.07 INCOMPETENCE OF PENSIONER**

In the event it is determined that a Pensioner or Beneficiary is unable to care for his affairs, because of illness, accident or any incapacity, either mental or physical, any payment due, unless claims shall have been made theretofore by a legally appointed guardian, committee or other legal representative, may be applied in the discretion of the Trustees to the maintenance and support of such Pensioner or Beneficiary.

#### **10.08 APPEAL PROCEDURE**

- (a) Initial Claim. If a claimant (which for purposes of this Section 10.08 shall mean the actual claimant or, if duly authorized, such claimant's representative) files a claim for benefits and such claim is wholly or partially denied, the Plan Administrator shall, within 90 days (45 days for disability claims) of the date the claim for benefits was received, provide written notice to the claimant as specified below. If special circumstances involving matters beyond the control of the Plan require additional time for processing the claim, written notice of this extension of time shall be sent to the claimant within the 90 (45 for disability claims) day period. Any such notice shall state the special circumstances and shall provide the date by which the Plan expects to render the benefit determination; and, in the case of a disability determination, shall explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, the additional information needed to resolve those issues, and that the claimant shall have at least 45 days to provide the specified information. Such extension shall not exceed 180 (75 days for disability claims) days from the date the claim was received; provided, however, with respect to disability claims: (1) an additional 30 day extension may be obtained due to matters beyond the control of the Plan if written notice of such second extension is provided to the claimant prior to the end of the first 30 day extension, specifying the circumstances requiring the extension and the date a decision is expected, and (2) the period for making the determination shall be tolled from any date of any extension which requests additional information from the claimant until the date such information is provided by the claimant.
- (b) Claim Denial. Any written notice sent by the Plan Administrator denying, in whole or in part, any claim, shall set forth in a manner to be understood by the Claimant:
  - (1) the specific reasons for the adverse determination;
  - (2) the specific provisions of the Regulations on which the determination is based;
  - (3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
  - (4) a description of the Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) upon an adverse determination on review.

- (5) In the case of an adverse determination involving disability benefits:
- (A) A discussion of the decision, including an explanation of the basis for disagreeing with or not following:
    - (i) The views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who the claimant;
    - (ii) The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse determination, without regard to whether the advice was relied upon in making the benefit determination; and
    - (iii) A disability determination regarding the claimant made by the Social Security Administration, if that determination was presented by the claimant to the Plan;
  - (B) If the adverse determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;
  - (C) A copy of the specific internal rules, guidelines, protocols, standards, or other similar criteria of the Plan relied upon in making the adverse benefit determination or , alternatively, a statement that such rules, guidelines, protocols, standards, or other similar criteria of the Plan do not exist; and
  - (D) A statement that the claimant is entitled to receive, upon request, and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits.
- (6) Any notice provided pursuant to paragraph (5) will be provided in a culturally and linguistically appropriate manner with a statement prominently displayed in any applicable non-English language, as defined in guidance published by the Secretary of Labor pursuant to 29 C.F.R. § 2560.503-1(o), clearly indicating how to access the language services provided by the Plan. Additionally, an adverse determination shall include rescissions of disability coverage, regardless of whether the rescission had an adverse effect on any on any particular benefit, unless it is attributable to a failure to timely pay required premiums or contributions towards the costs of coverage.
- (c) Request for Review. A claimant whose application for benefits is denied in whole or in part shall have the right to file a request for review by the Trustees of the denied claim within 60 days (180 days for disability claims) of receipt of written notification of the denial of the claim.

All such appeals of the decision denying, in whole or in part, any claim, shall be referred by the Plan Office to the Trustees. The Chairman and Secretary may in their discretion appoint a subcommittee of one or more Trustees who shall be delegated to hear and determine the appeal. The appeal shall not defer to the initial benefit determination and shall consider all comments, documents, records and other information submitted by the claimant, without regard to whether such information was submitted or considered in the initial benefit determination. The claimant may submit written comments, documents, records and other information relating to the claim, and shall, upon reasonable request and without charge have access to and copies of all documents, records or other information relevant to the claim.

Prior to issuing a denial of an appeal of a claim involving disability, the Plan Administrator will provide the claimant, free of charge, with any new or additional evidence considered, relied upon, or generated by the Plan in connection with the claim, and/or with any new or additional rationale for denying the claim, as soon as possible and sufficiently in advance of the date the appeal is to be considered to give the claimant a reasonable opportunity to respond prior to the date the appeal will be considered.

- (d) Decision on Appeal. A decision on appeal shall be made by the Trustees (or a subcommittee thereof) at the regularly scheduled quarterly meeting of the Trustees which first occurs after the 30th day following receipt of the appeal by the Plan Administrator. The appeal may be delayed to the next regularly scheduled quarterly meeting if: (1) special circumstances require a further extension for processing and (2) the Plan Administrator provides written notice to the claimant of the extension, the special circumstances, and the date as of which the benefit determination will be made. Any claimant filing an appeal shall have the right to appear in person before the Trustees (or subcommittee). The Trustees (or subcommittee) hearing the appeal will consider the evidence presented and will listen to arguments for a reasonable period of time on behalf of the appeal. If any disability claim is based on a medical judgment, the Trustees (or subcommittee) will consult with a health care professional (who was not consulted in the initial benefit decision and is not the subordinate of any health care professional consulted in the initial benefit decision) who has appropriate training and experience in the field of medicine involved in the medical judgment. Any medical or vocational experts whose advice the claim was obtained on behalf of the Plan (even if not relied on) shall be identified if requested. The decision of the Trustees (or subcommittee) on an appeal shall be: (1) in writing; (2) final and binding on all parties; and (3) communicated not later than 5 days after the determination is made. The decision shall be written in a manner to be understood by the claimant and shall include:
- (1) The specific reasons for the adverse determination;
  - (2) Reference to the specific provisions of the Regulations on which the benefit determination is based;
  - (3) A statement that the claimant is entitled to receive upon request, without charge, reasonable access to and copies of all documents, records and other information relevant to the claim; and
  - (4) A statement of the claimant's right to bring an action under ERISA Section 502(a) following the appeal, including a description of any contractual limitations period that applies to the claimant's right to bring an action, including the calendar date on which the contractual limitation period expires for the claim.
  - (5) In the case of an adverse determination involving disability benefits:
    - (A) A discussion of the decision, including an explanation of the basis for disagreeing with or not following:
      - (i) The views presented by the claimant to the Plan of health care professionals treating the claimant and vocational professionals who the claimant;
      - (ii) The views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse determination, without regard to whether the advice was relied upon in making the benefit determination; and

- (iii) A disability determination regarding the claimant made by the Social Security Administration, if that determination was presented by the claimant to the Plan;
- (B) If the adverse determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request;
- (C) A copy of the specific internal rules, guidelines, protocols, standards, or other similar criteria of the Plan relied upon in making the adverse benefit determination or, alternatively, a statement that such rules, guidelines, protocols, standards, or other similar criteria of the Plan do not exist; and
- (D) A statement that the claimant is entitled to receive, upon request, and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits.
- (6) Any notice provided pursuant to paragraph (5) will be provided in a culturally and linguistically appropriate manner with a statement prominently displayed in any applicable non-English language, as defined in guidance published by the Secretary of Labor pursuant to 29 C.F.R. § 2560.503-1(o), clearly indicating how to access the language services provided by the Plan.

#### **10.09 NEW PARTICIPATING EMPLOYER**

- (a) If an Employer first contributes to the Pension Trust Fund with respect to a unit of Employees after October 1, 1961, any Employee within such unit shall be deemed within Covered Employment for Pension Credit from the date for which the contribution is first made. Any Employee within such unit who has otherwise previously earned Pension Credit hereunder shall retain the same. With respect to Licensed Radio Officers and former BMO members, the terms of the respective prior plans are effective for periods prior to January 1, 1982.
- (b) For purposes of this Section 10.09, a successor company's initial date of contribution shall be deemed to be the initial date of contribution by its predecessor.

#### **10.10 TERMINATED EMPLOYERS**

If an Employer fails for any reason whatsoever to make contributions to the MEBA Pension Trust as required by the Employer's collective bargaining agreement with either the Union or the ROU or by the terms of the MEBA Pension Trust, the following shall apply:

- (a) employment with that Employer shall be credited under the Plan as Covered Employment so long as the aforesaid collective bargaining agreement continues in full force and effect; and
- (b) the Trustees shall not have the authority to take any action altering or amending any obligations whatsoever which any Employer may have assumed or have been subject to by virtue of its execution of the collective bargaining agreement or the MEBA Pension Trust.

#### **10.11 NO VESTING**

No Employee, Pensioner, or Beneficiary shall have any right or interest in any of the income or property received or held by or for the account of the MEBA Pension Trust, or vested right to benefits, except through fulfillment of all the conditions and requirements set forth in these Regulations.

## **10.12 OVERPAYMENTS**

In the event an Employee, participant, Pensioner, spouse, former spouse, alternate payee or Beneficiary (hereinafter "Payee") is paid benefits ("Benefits") in excess of the amount to which he was entitled pursuant to the appropriate rules, Regulations and interpretations of the Plan, whether on the basis of the Plan's error or the error or the false statements of the Payee or a third party, the Payee is required to reimburse the Plan in full and the Plan shall be entitled to recover any such Benefits. Future benefit payments, if any, shall be made on the correct and appropriate basis.

The Plan has a constructive trust, lien, and/or equitable lien by agreement in favor of the Plan on any overpaid Benefits received by the Payee or a representative of the Payee (including an attorney) that is due to the Plan under this Section, and any such amount is deemed to be held in trust by the Payee for the benefit of the Plan until paid to the Plan. By accepting Benefits from the Plan, the Payee consents and agrees that a constructive trust, lien, and/or equitable lien by agreement in favor of the Plan exists with regard to any overpayment, and in accordance with that constructive trust, lien, and/or equitable lien by agreement, the Payee agrees to cooperate with the Plan in reimbursing it for all of its costs and expenses related to the collection of those Benefits.

Any refusal by the Payee to reimburse the Plan for an overpaid amount will be considered a breach of the Payee's agreement with the Plan that the Plan will provide the Benefits available under the Plan and the Payee will comply with the rules of the Plan. By accepting Benefits from the Plan, the Payee affirmatively waives any defense the Payee may have in any action by the Plan to recover overpaid amounts or amounts due under any other rule of the Plan, including but not limited to a statute of limitations defense or a preemption defense, to the extent permissible under applicable law.

If the Payee refuses to reimburse the Plan for any overpaid amount, the Plan has the right to recover the full amount owed by any and all methods which include, but are not necessarily limited to, offsetting the amounts paid against any future Benefits otherwise payable to or on behalf of such Payee.

The Plan also may recover any overpaid Benefits by pursuing legal action against the party to whom the Benefits were paid. In the event it is necessary for the Trustees to file suit against a Payee or other party in order to collect any amount owed to the Plan arising out of or related to an overpayment or erroneous payment, such Payee or other party shall reimburse the Trustees for all reasonable attorneys' fees and costs of suit, and other professional fees and costs expended in connection with the Trustees' collection of any amounts owed to the Plan or the enforcement of any of the Plan's rights to reimbursement. In the event of legal action, the Payee shall also be required to pay interest at the rate determined by the Trustees from time to time from the date the Payee becomes obligated to repay the Plan through the date that the Plan is paid the full amount owed. The Plan has the right to file suit against the Payee in any state or federal court that has jurisdiction over the Plan's claim.

In the case of a deceased Payee, the Plan's rights apply to the decedent's estate and the estate is required to comply with the Plan's rules and procedures to the same extent as a Payee.

## **10.13 LEGAL ACTIONS**

Legal action to recover benefits under the Plan may not be filed before exhausting all administrative remedies provided under Section 10.08 and may not be filed later than 12 months following the date of the Trustees' decision on the appeal. Any lawsuit to take legal action must be filed in the United States District Court for the District of Maryland.

## ARTICLE XI

### MAXIMUM RETIREMENT BENEFIT

#### 11.01 MAXIMUM BENEFIT

- (a) Notwithstanding any other provisions contained in these Regulations, the maximum annual benefit payable to an Employee under this Plan shall not exceed \$210,000, as adjusted by the Secretary of the Treasury under Code Section 415(d) (the "Dollar Limitation") provided that if the Employee has less than 10 years of Plan Participation, the Dollar Limitation shall be reduced in the ratio which the number of his years of Plan Participation bears to 10.
  - (1) The Dollar Limitation shall be adjusted in accordance with the following provisions:
    - (A) If payment of the Pension begins before age 62, the Dollar Limitation shall be reduced pursuant to Code Section 415(b)(2)(C) so that it is the Actuarial Equivalent of an annual benefit beginning at age 62.
    - (B) If payment of the Pension begins after age 65, the Dollar Limitation shall be increased pursuant to Code Section 415(b)(2)(D) so that it is the Actuarial Equivalent of an annual benefit beginning at age 65.
- (b) In applying the limitations of this Section 11.01, a benefit payable in a form other than a single life annuity must be adjusted to the Actuarial Equivalent of a single life annuity, provided that no actuarial adjustment shall be made for the values of a qualified joint and survivor annuity and a qualified pre-retirement survivor annuity within the meaning of Code Section 417 and the value of the cost of living adjustments (as prescribed by the Secretary of the Treasury). For benefits payable on or after January 1, 2004 and on or before December 31, 2005, the applicable interest rate used to adjust to the Actuarial Equivalent shall be 5.5%. For benefits payable on or after January 1, 2006, the interest rate used to adjust to the Actuarial Equivalent shall be the greater of the interest rate set forth in the Plan, 5.5% or a rate equal to 105% of the applicable interest rate as defined in Code Section 417(e)(3) or a successor provision.
- (c) Notwithstanding anything in this Section 11.01 to the contrary, if the Pension of an Employee as of January 1, 1986 exceeds the maximum annual limitation under this Section 11.01, the maximum annual benefit with respect to such Employee shall be such Employee's annual benefit as of December 31, 1985.

#### 11.02 OTHER SECTION 415 LIMITS

Effective January 1, 2008, the application of the provisions of this ARTICLE XI shall not cause the maximum permissible benefit determined in accordance with Code Section 415 that is accrued, distributed, or otherwise payable for any participant to be less than the participant's accrued benefit as of December 31, 2007 under the provisions of the Plan that were both adopted and in effect before April 5, 2007, to the extent permitted by law.

In addition, for the purpose of this ARTICLE XI and effective January 1, 2008, in aggregating the benefits under the Plan with any plan that is not a multiemployer plan maintained by any Employer, only the benefits under this Plan that are provided by such Employer shall be treated as benefits provided under a plan maintained by the Employer, to the maximum extent permitted by law. In the event that the benefits accrued in any Plan Year by a participant exceed the limits under Code Section 415 as a result of the mandatory aggregation of this Plan with the benefits under another plan(s) maintained by an Employer, the benefits of such other plan(s) shall be reduced to the extent necessary to comply with Code Section 415.



## ARTICLE XII

### INTERPRETATION, AMENDMENT, TERMINATION AND OTHER MISCELLANEOUS PROVISIONS

#### 12.01 ACTUARIAL REVIEWS

These Regulations have been adopted by the Trustees on the basis of an actuarial estimate which has established that the income and accruals of the Fund will be fully sufficient to support this benefit Plan on a permanent basis. However, it is recognized that the income and/or liabilities of the Plan may be substantially different from those previously anticipated. It is understood that these Regulations can be fulfilled only to the extent that the Plan has assets available from which to make the payments provided for. Consequently, the Trustees shall have prepared, annually, an actuarial evaluation of the Plan.

#### 12.02 AMENDMENT

The Trustees are authorized, in their sole and absolute discretion, to amend or modify these Regulations by resolution duly adopted at any time in accordance with the Trust Agreement, including, but not limited to, any change in benefit amount, types of benefit, and conditions of eligibility and payment. No amendment or modification may reduce any benefit rights or eliminate or reduce any early retirement benefit or retirement type subsidy or eliminate an optional method of benefit payment with respect to benefits which have accrued prior to amendment, or violate provisions of Code Section 411(d)(6) and regulations promulgated thereunder, so long as Plan assets are available for payment of such benefits.

#### 12.03 TERMINATION

- (a) The Trustees shall have complete authority, in their sole and absolute discretion, to terminate the Plan, in whole or in part, at any time and for any reason. Any termination shall comply with the applicable requirements of ERISA Sections 4041A and 4281. If this Plan is terminated, the Trustees shall continue in office for the purpose of distributing the assets then remaining, to the extent they are sufficient after provision for expenses therefor, as retirement benefits of Employees in such manner as the Trustees determine is most equitable and efficient, by the purchase of annuities or otherwise. In no event shall any of the assets of the MEBA Pension Trust revert to or be paid to any Employer. To the extent permitted by ERISA Sections 4041A and 4281, the following order of precedence shall be followed for distributing assets:
- (1) to provide Pensions to Employees who have Retired under the Plan prior to its termination or who are eligible for a Pension on the date of termination, with precedence being given in the following order: first, to those receiving or eligible to receive a Regular or Disability Pension based on 20 or more years of Pension Credit commencing with those who have 30 or more years of Pension Credit on the date of Retirement or termination, then to those who have 29 but less than 30 such years, and thereafter, in similar fashion in descending order of their whole years of Pension Credit; second, to those who have Retired under, or are eligible for, any other type of Pension.
  - (2) to provide Pensions if possible to other covered Employees in the order they become eligible for same or other equitable payments to Employees, based upon years of Pension Credit, who do not meet the minimum requirements of age or service.
- (b) For the purpose of the order of preference in subsection (a) above, consideration shall be given only to benefits which either have been in pay status for three years or would have been in pay status for three years had the Employee Retired prior to the beginning of the three year period. Such benefits shall be based on the provisions of the Plan, as in effect during the five year period ending on the termination date, under which they would be the least. For the purpose of this Section 12.03 the Actuarial Equivalent may be computed by use of the mortality and interest rate

assumptions specified by the Pension Benefit Guaranty Corporation in the event of Plan termination.

- (c) The above subclasses are intended to be the same as the subclasses in effect on September 2, 1974, and constitute the allocation priorities in effect on the date based upon years of Pension Credit.
- (d) Upon the termination or partial termination of the Plan, all Employees will have a nonforfeitable right to their Pension earned as of the date of termination or partial termination in accordance with the provisions of the Plan to the extent funded as of such date. In the case of a partial termination the provisions of this subsection (d) shall apply only with respect to the portion of the Plan so terminated.

#### **12.04 PLAN INTERPRETATION AND BENEFIT DETERMINATION**

- (a) The Trustees shall have complete authority, in their sole and absolute discretion, to interpret the terms of the Trust, the Plan, the Regulations, any insurance contracts or policies, and any related documents and underlying policies; to determine eligibility for, and the amount of, benefits under the Plan; and to make factual determinations, correct defects, supply omissions and reconcile inconsistencies to the extent necessary to effectuate the Plan. All such interpretations and determinations of the Trustees shall be final and binding upon all parties and persons affected thereby.
- (b) The Plan is to be construed and administered in accordance with ERISA and other applicable federal laws; provided, however, that if any provision is susceptible of more than one interpretation, such interpretation shall be given thereto as is consistent with the intent that this Plan and the Trust be exempt from federal income tax under Code Sections 401(a) and 501(a), respectively.

#### **12.05 REFUND OF EMPLOYEE CONTRIBUTIONS UNDER BMO PENSION PLAN**

- (a) General. Prior to the merger of the Brotherhood of Marine Officers, AFL-CIO Pension Plan (the "BMO Pension Plan") into this Plan as of October 16, 1981, Article 10 of the BMO Pension Plan required employee after tax contributions (referred to as "Member Contributions") as a condition of participation in the BMO Pension Plan. As set forth in the Preamble to this Plan, the rights, benefits and obligations of Employees who previously participated in the BMO Pension Plan for benefits accrued prior to January 1, 1982, are determined in accordance with the regulations of the BMO Pension Plan in effect on October 15, 1981, and the terms of the Agreement of Merger dated October 16, 1981. This Section 12.04(a) sets forth rules for how a former BMO Pension Plan participant may request a refund of his BMO Member Contributions held by this Plan and the effect of such a refund.
- (b) Eligibility.
  - (1) Upon filing a written request with the Plan Office in the form and manner provided by the Trustees, and subject to subsection (e) below an Employee who made Member Contributions under the BMO Pension Plan may receive a refund of such Contributions with interest in the amount determined under subsection (c) below but only if:
    - (A) he has not yet reached his Effective Date of Pension;
    - (B) he either has terminated all employment with all Employers or has reached age 60, and
    - (C) he is either vested under Section 4.01 or he has incurred a Break-in-Service under Section 3.05 sufficient to cause a forfeiture of Pension Credit thereunder.

- (2) An Employee otherwise described in paragraph (1) above shall not be ineligible for a refund hereunder merely because he elects to receive his refund as of his Effective Date of Pension.
  - (3) In the case of an Employee who made Member Contributions but is not described in paragraph (1) above, no refund shall be made to him (or his Beneficiary) until he satisfies the requirements of paragraph (1) above or he dies. Any such refund shall then be made in accordance with this Section 12.05.
- (c) Amount of Refund. The amount to be refunded to an Employee eligible under subsection (b) above shall equal the total unrefunded Member Contributions such Employee made to both the BMO Pension Plan prior to October 16, 1981, (as described in Section 10.1 thereof) and to this Plan from October 16 through December 31, 1981 (as described in Section 12 of the Agreement of Merger), plus interest thereon as determined in accordance with the rules set forth in Section 10.4 of the BMO Pension Plan and Code Section 411(c).
- (d) Effect of Refund. If an Employee receives a refund of his Member Contributions under this Section 12.05, his accrued pension benefit earned under the BMO Pension Plan shall be permanently reduced by the portion of such accrued benefit which was attributable to his Member Contributions thereunder. Receipt of a refund shall have no effect on the portion of his accrued pension benefit earned under the BMO Pension Plan which was attributable to employer contributions thereunder. Once refunded, Member Contributions may not be repaid to this Plan for any reason.
- (e) Method of Payment.
- (1) Subject to paragraphs (2) and (3) below, unless an Employee elects to receive his refund under this Section 12.05 in a lump sum, the refund shall be paid as an actuarially equivalent single life annuity if the Employee is not married on the date as of which the refund is made, or as a Qualified Joint and Survivor Annuity (as defined in Section 6.01(b)) if the Employee is married on the date as of which the refund is made.
  - (2) A married Employee who earned a Day of Service on or after August 23, 1984, may only elect to receive his refund in a lump sum if his spouse consents in writing to such election. An Employee's election of a lump sum and any required spousal consent thereto shall be made in accordance with Section 6.01. Notwithstanding the preceding, effective for annuity starting dates on or after May 1, 2015, no Lump Sum Distribution may be paid under this Section 12.05.
  - (3) In the case of a deceased Employee who died before his Effective Date of Pension, the person entitled to receive benefits on account of his death under Section 8.03 may elect to receive a refund of his Member Contributions plus interest in accordance with this Section 12.05.
  - (4) Payment of a refund under this Section 12.05 is subject to the Direct Rollover rules of Section 7.04.

## **12.06 GENDER AND NUMBER; CAPTIONS OR HEADINGS**

The masculine pronoun, whenever used, shall include the feminine. Whenever any words are used herein in the singular, they shall be construed as though they were also used in the plural in all cases where they would so apply. Captions or headings are inserted and intended for organization format and convenience of reference only; they are not to be given independent substantive meaning for effect.

## **ARTICLE XIII**

### **TOP-HEAVY PROVISIONS**

#### **13.01 GENERAL**

Notwithstanding any provision of these Regulations to the contrary, the provisions of this ARTICLE XIII shall apply to any Plan Year in which the Plan is deemed to be a “top heavy plan” and shall apply only to those Employees described in Section 1.16(d). The Plan shall constitute a top heavy plan if as of the “determination date”, the present value of accrued benefits under the Plan and all other plans in its required aggregation group for “key employees” exceeds 60% of the present value of the accrued benefits under the Plan and all other plans in its required aggregation group for all “employees”, as such terms are defined herein, where such ratio is computed in accordance with Code Section 416(g). Notwithstanding the preceding sentence the Plan will not be a top-heavy plan if it is part of a “permissive aggregation group” and such group is not top-heavy.

#### **13.02 DEFINITIONS**

- (a) The term “required aggregation group” shall mean:
  - (1) each retirement plan maintained by an “employer”, as defined herein, that qualifies under Code Section 401(a) (a “qualified plan”) and in which a key employee is a participant;
  - (2) each other qualified plan maintained by an employer which enables a plan described in subsection (1) above to meet the requirements of Code Sections 401(a)(4) or 410.
- (b) The term “permissive aggregation group” shall mean the Plan and its required aggregation group plus any other qualified plan of the Employer, if, after the inclusion of such plan in the aggregation group, such group will continue to meet the requirements of Code Sections 401(a)(4) and 410.
- (c) The term “determination date” shall mean the last day of the preceding Plan Year.
- (d) The term “employee” shall mean only those Employees described in Section 1.16(d).
- (e) The term “employer” shall mean only those Employers described in Section 1.17(b).
- (f) The term “key employee” shall mean an employee who is a key employee within the meaning of Code Section 416(i)(1).
- (g) The term “non key employee” shall mean an employee who is not a key employee.
- (h) The present value for the accrued benefits for any employee shall be computed as of the determination date and in accordance with Code Section 416(g).

#### **13.03 TOP HEAVY VESTING SCHEDULE**

- (a) If, with respect to any Plan Year, the Plan is deemed to be a top heavy plan, each employee shall have a nonforfeitable right to his Pension determined under the following schedule, except to the extent faster vesting is provided to the employee in either Benefit under some other provision of these Regulations:

<b>Years of Vesting Credit</b>	<b>Nonforfeitable Percentage</b>
less than 2	0
2	20
3	40
4	60
5	80
6 or more	100

- (b) Notwithstanding subsection (a) above, the top heavy vesting schedule shall not apply to any employee who does not have a Day of Service after the Plan becomes a top heavy plan.

**13.04 MINIMUM BENEFIT**

- (a) If, with respect to any Plan Year, the Plan is deemed to be a top heavy plan, the accrued benefit of each non key employee, when expressed as an annual retirement benefit, shall be at least 3% of such employee’s average Section 415 Compensation for years in the “testing period”, multiplied by his Years of Vesting Credit (but not more than 10 years). For purposes of this Section 13.04, a Year of Vesting Credit shall not be taken into account if the Plan was not a top heavy plan for that year, or if such Year of Vesting Credit was completed in a Plan Year beginning before January 1, 1984.
- (b) For purposes of this Section 13.04, a non key employee’s “testing period” is the period of consecutive calendar years (not exceeding five) during which the non key employee had the greatest aggregate compensation from the Employer; provided, however, that a year shall not be included in the testing period if (1) such year ends before January 1, 1984, (2) such year begins after the close of the last Plan Year in which the Plan was a top heavy plan, or (3) the employee did not earn a Year of Vesting Credit in such year.
- (c) For purposes of this Section 13.04, the term “annual retirement benefit” means a benefit payable annually in the form of a single life annuity (with no ancillary benefits) beginning at the Normal Retirement Age. If the form of benefit is other than a single life annuity, or the benefit commences at a date before or after Normal Retirement Age, each non key employee shall receive an amount that is the Actuarial Equivalent of the minimum single life annuity commencing at Normal Retirement Age. The minimum benefit described in this Section 13.04 shall not be adjusted to take into consideration the availability of preretirement ancillary benefits under the Plan.
- (d) The minimum benefit required under this Section 13.04 shall vest in the same manner as any other benefits accrued under the Plan.
- (e) The provisions of this Section 13.04 shall apply to all employees in the Plan to whom this ARTICLE XIII applies, including, without limitation, an employee who also is an employee in a defined contribution plan of the Employer in a Plan Year in which the defined contribution plan is deemed to be a top heavy plan. An employee described in the preceding sentence shall, for any Plan Year in which the Plan and a defined contribution plan of the Employer in which the employee participates are both deemed to be top heavy plans, be entitled to the minimum benefit prescribed by this Section 13.04 and not the minimum contribution required by Code Section 416(c)(2).
- (f) This Section 13.04 sets forth the requirements imposed by Code Section 416(c) and shall not be construed to impose any requirements other than, or provide any benefits greater than, those mandated by that provision.

## ARTICLE XIV

### WITHDRAWAL LIABILITY

#### 14.01 WITHDRAWAL LIABILITY - GENERAL

The determination of and the liability and payments for an Employer's complete or partial withdrawal shall be determined in accordance with the applicable provisions of Title IV of ERISA, as modified in this ARTICLE XIV.

#### 14.02 ALLOCATION OF EMPLOYER WITHDRAWAL LIABILITY

Effective for withdrawals taking place after June 23, 2011, an Employer's proportional share of the Plan's unfunded vested benefits ("Withdrawal Liability") shall be calculated pursuant to the "one pool" method (also known as the "rolling 5" method) described in ERISA Section 4211(c)(3), except that the allocation fraction shall be based on Man Days of Covered Employment rather than contributions owed. Specifically, for withdrawals occurring on or after June 23, 2011, the amount of unfunded vested benefits allocable to an Employer shall be the product of:

- (a) the Plan's unfunded vested benefits as of the end of the Plan Year preceding the Plan Year in which the Employer withdraws, less the value as of the end of such year of all outstanding claims for withdrawal liability which can reasonably be expected to be collected from Employers withdrawing before such year, multiplied by:
- (b) a fraction –
  - (1) the numerator of which is the total number of Man Days of Covered Employment worked by the Employees of such Employer during the last five (5) Plan Years ending before the withdrawal, and
  - (2) the denominator of which is the total number of Man Days of Covered Employment worked by the Employees of all Employers during the last five (5) Plan Years ending before the withdrawal, increased by the number of Man Days of Covered Employment worked in earlier periods which were recognized during those five (5) Plan Years, and decreased by the number of Man Days of Covered Employment worked during those five (5) Plan Years for Employers who withdrew during those five (5) Plan Years.

Any determination under ERISA Section 4206 shall be made in a similar fashion; i.e., based on Man Days of Covered Employment.

For purposes of this Section 14.02:

- (a) a Man Day of Covered Employment worked shall mean any day for which Pension Credit is accrued;
- (b) For Schedule F, a Man Day of Covered Employment worked shall mean any day for which Pension Credit is accrued, multiplied by 0.33;
- (c) For Schedule H, a Man Day of Covered Employment worked shall mean any day for which Pension Credit is accrued, multiplied by 0.56.

#### 14.03 PAYMENT OF WITHDRAWAL LIABILITY

- (a) Installment Payment. Withdrawal Liability is payable in quarterly installments, or at other intervals specified by the Trustees, over the period of years (the "Amortization Period") necessary to amortize the amount of Withdrawal Liability in level annual payments calculated as if the first payment were made on the first day of the Plan Year following the Plan Year in which the

withdrawal occurs and as if each subsequent payment were made on the first day of each subsequent Plan Year.

Except as otherwise provided, the amount of each annual payment shall be the product of:

- (1) The average number of Contribution Base Units for the period of the 3 consecutive Plan Years during the period of 10 consecutive Plan Years ending before the Plan Year in which the withdrawal occurs, in which the number of Contribution Base Units for which the Employer had an obligation to contribute to the Plan was the highest; and
- (2) The highest contribution rate at which the Employer had an obligation to contribute to the Plan during the 10 Plan Years ending with the Plan Year in which the withdrawal occurred.

For purposes of this Article, a Contribution Base Unit is a Man Day as defined in Section 14.02.

For purposes of this Section 14.03, to the extent that an Employer is obligated to contribute to the Plan based upon a percentage of an Employee's wages, Contribution Base Units are an Employee's wages, as defined in the collective bargaining agreement under which the Employer is obligated to contribute to the Plan. To the extent that an Employer is obligated to contribute to the Plan based upon Man Days, a Contribution Base Unit is a Man Day. For purposes of this Section 14.03, a Man Day shall mean any day for which Pension Credit is accrued. To the extent that an Employer is obligated to contribute to the Plan under a collective bargaining agreement based upon another measure, that measure shall be used as Contribution Base Units.

In the event that an Employer is obligated to contribute based upon more than one measure of Contribution Base Units, the annual payment for each measure shall be calculated separately and the resulting payments shall be added together to determine an Employer's annual payment.

If an Employer is obligated to contribute based upon a measure of Contribution Base Units for a period of fewer than three years, then the number of years for which the Employer is obligated to contribute for the measure of Contribution Base Units shall be used in determining the average number of Contribution Base Units.

- (b) Twenty-Year Limitation. If the Amortization Period determined under this Section exceeds 20 years, the Employer's Withdrawal Liability shall be limited to the first 20 annual payments.

#### **14.04 ARBITRATION**

All disputes concerning a determination made under this ARTICLE XIV or the provisions of Title IV of ERISA shall be submitted to arbitration pursuant to ERISA Section 4221 and under the auspices of the Philadelphia Regional Office of the American Arbitration Association ("AAA"). Such arbitration proceeding shall be initiated in accordance with the AAA rules. All arbitration hearings will be held in Baltimore, Maryland.

**ARTICLE XV**

**ADOPTION OF REGULATIONS**

Pursuant to authority granted them by the Board of Trustees of the MEBA Pension Trust, this Restatement of the Regulations and Defined Benefit Plan is hereby executed by the Chairman and Secretary of the Board on this 8th day of January, 2015, effective January 1, 2015, except as otherwise set forth herein.

SECRETARY



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*Edward Hanley*

CHAIRMAN



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*H. Marshall Ainley*



**APPENDIX A**

**AMO RECIPROCAL AGREEMENT**

**Licensed Marine Officers - MEBA Pension Trust**

**and**

**District 2, MEBA AMO Pension Trust**

**Reciprocal Agreement**

**(Terminated effective July 31, 1994)**

In order to provide that licensed marine officers who have served on vessels in the American Merchant Marine shall not be prejudiced by reason of employment by Employers having different collective bargaining agreements with the Marine Engineers' Beneficial Association, and in order to prevent duplication of payment of Pensions based upon employment as a licensed marine officer, the Trustees of the MEBA Pension Trust and the Trustees of District 2, MEBA AMO Pension Trust agree that service credits under each trust may be used for Pension eligibility as follows:

**I**

- A. A licensed marine officer shall file his claim for Pension benefits with the Pension Plan in which the district of the National MEBA participates, of which he is then a member.
- B. Credit for "past service" prior to January 1, 1956 shall be measured in accordance with the rules of the Pension Plan under which the larger share of his work in Covered Employment was performed during the period from January 1, 1951 through December 31, 1955.
- C. No licensed marine officer shall receive in the past or future credit for more than four quarters of service in any calendar year.

**II**

The respective Pension Plans shall be chargeable with credits for service as follows:

- (1) For the period prior to January 1, 1956: The past service credit for this period shall be allocated pro rata, to the nearest quarter of credit, based upon the days of actual employment as a licensed marine officer under coverage of the respective plans during the period from January 1, 1951 through December 31, 1955.
- (2) For the period from January 1, 1956, allocation of credits shall be on a calendar basis:
  - (a) Where all Covered Employment during the calendar year is under one Plan, the entire credit will be chargeable to such Plan.
  - (b) Where Covered Employment in the calendar year is divided between the two Plans, the credit shall be chargeable on a pro rata basis for such year, reduced to the nearest quarter year of credit.

**III**

The cost of the monthly Pensions paid to each licensed marine officer qualifying for a Pension by reason of employment as a licensed marine officer under both Plans, shall be allocated between the two trusts on the

basis of the number of quarter years of credited service chargeable hereunder; provided, however, that such allocation shall be made on the basis only of the last twenty (20) years of credited service prior to retirement if the licensed marine officer has in excess of twenty (20) years of credited service.

#### IV

Each trust shall act as paying agent for the entire amount of Pension benefits paid licensed marine officers applying to that trust. A quarterly clearing of allocable charges shall be made between the two trusts.

#### V

The Trustees of the two trusts may mutually agree on such other rules and regulations as may be necessary to carry out administration of this agreement.

#### VI

This agreement shall continue in effect so long as the provisions of each trust relating to the credit for service and the payment of Pension benefits and the amount of contribution to the respective trusts remain unchanged from those previously in effect, except as may be mutually agreed upon; provided, however, that this agreement may be terminated at any time by either trust on ninety (90) days' written notice to the Trustees of the other trust. If this reciprocal agreement is terminated for any reason, each trust shall continue to remain obligated for its proportionate share of any Pension payments to any licensed marine officer who retired prior to such termination, whose credit for Pension benefits was based upon employment under coverage of both Plans and who made an approvable application for a Pension prior to such termination.

#### VII

The Reciprocal Agreement shall be subject to approval of the Bureau of Internal Revenue, and the parties agree to make such changes herein necessary to obtain and retain such approval.

#### ALLOCATION OF SERVICE CREDIT

It is the intention of the parties that each Plan shall bear its own proportionate share of a MEBA Pension. Without changing the provisions of the Reciprocal Agreement, but desiring to explain the understanding, it is agreed:

1. Dual service shall be credited pro rata to the nearest quarter in each calendar year.
2. As an example, the following method of calculations would apply regardless of how many days of total service were involved and how they were divided. In the final analysis, it is intended that the Plan having the majority of days of pro rata credit for the only quarter in question should take the entire obligation for that quarter.
  - (a) Employee has 165 days under MEBA Pension Trust and 75 under District 2, MEBA Pension Trust. He would receive a total of four quarters credit based on 200 days of employment.
  - (b)  $200/240 = 5/6$
  - (c)  $5/6 \times 165 = 137 \frac{1}{2}$  for MEBA Pension  
 $5/6 \times 75 = 62 \frac{1}{2}$  for District 2, MEBA Pension
  - (d) MEBA Pension is charged with two quarters, with  $37 \frac{1}{2}$  days additional. District 2, MEBA Pension is charged with one quarter, with  $12 \frac{1}{2}$  days additional.
  - (e) MEBA Pension is charged with additional quarter because it has majority of additional days.

## APPENDIX B

### FORMER PENSION BENEFITS

#### SECTION I

This Section I of Appendix B describes the Article II Pension (as defined in Section 1.03 of these Regulations) and describes how to determine the Pension of an Employee who has been at various times eligible for both Article II Pension and Article II-A Pension.

#### **B1.01** GENERAL

Article II Pension applies to Eligible Employees who prior to April 15, 2000:

- (a) did not earn sufficient Pension Credit on or after June 16, 1965 to be eligible for a Pension under Article II-A; or
- (b) worked for Employers that were not obligated to make the contributions necessary for a Pension under Article II-A.

#### **B1.02** COMBINED ARTICLE II and II-A BENEFITS

If an Employee was in Covered Employment after January 1, 1956 with both Employers contributing to Article II Benefit and Employers contributing to Article II-A Benefits, his Pension shall be determined as follows:

- (1) determine the amount to which the Employee would be entitled under Article II-A Pension based on his aggregate Pension Credit with the Employers described in this Section B1.02 (“Combined Pension Credit”);
- (2) determine the amount to which the Employee would be entitled under Article II Pension based on his Combined Pension Credit;
- (3) subtract the amount under paragraph (2) from the amount under paragraph (1);
- (4) multiply the amount under paragraph (3) by the Pension Credit earned on or after January 1, 1956 based on employment with Employers who have obligated themselves to make the contributions necessary to provide the Pension benefits outlined in Article II-A Pension and then divide the product by the Combined Pension Credit earned on or after January 1, 1956; and
- (5) add the amount under paragraph (2) to the amount under paragraph (4).

#### **B1.03** REGULAR ARTICLE II PENSION

- (a) An Employee may Retire on a Regular Article II Pension if he has 20 years of Pension Credit.
- (b) The Regular Article II Pension is \$367.29 per month. Prior to August 1, 1994, the Regular Article II Pension was \$333.90 per month.

**B1.04 SPECIAL ADJUSTMENTS TO THE REGULAR ARTICLE II PENSION**

- (a) Effective July 1, 1999, for all participants who were Pensioners on or before February 14, 2001, the Regular Article II Pension is \$800.00 per month.
- (b) Effective January 1, 2003 the amount of Regular Article II Pension payable to all Pensioners (and the surviving spouses of all Pensioners) who retired prior to January 1, 1976 and who are receiving benefits as of January 1, 2003 was increased by 15%.
- (c) Effective January 1, 2006, for each Pensioner whose gross monthly Article II Pension (calculated as a straight life annuity) as of January 1, 2006, was equal to or greater than \$800 but less than \$1,000, his/her gross monthly Article II Pension (calculated as a straight life annuity) was increased to \$1,000. The Article II Pension payable to the surviving spouse of such a Pensioner who was in pay status as of January 1, 2006 was increased proportionately. This provision does not apply to Pensioners who elected to receive lump sum payments.
- (d) Effective January 1, 2006, for each Pensioner whose current gross monthly Article II Pension (calculated as a straight life annuity) as of January 1, 2006, was at least \$1,000 but less than \$2,000, and each surviving spouse of such Pensioner who was in pay status as of January 1, 2006, his/her gross monthly Article II Pension was increased by 10%. This provision does not apply to Pensioners who elected to receive lump sum payments.

**B1.05 REDUCED ARTICLE II PENSION**

- (a) An Employee may Retire on a Reduced Article II Pension if he satisfies either of the following requirements:
  - (1) he has attained Normal Retirement Age; or
  - (2) he has attained age 70 and has at least 200 days of Covered Employment in each of the last two calendar years preceding his Retirement.
- (b) The Reduced Article II Pension is a monthly amount equal to \$18.36 for each year of Pension Credit up to 20 years. Prior to August 1, 1994, the Reduced Article II Pension was a monthly amount equal to \$16.69 for each year of Pension Credit up to 20 years.

**B1.06 SPECIAL ADJUSTMENTS TO THE REDUCED ARTICLE II PENSION**

Effective January 1, 2003, the amount of Reduced Article II Pension payable to all Pensioners (and the surviving spouses of all Pensioners) who retired prior to January 1, 1976 and who were receiving benefits as of January 1, 2003 was increased by 15%.

**B1.07 EARLY RETIREMENT ARTICLE II PENSION**

- (a) Requirements
  - (1) An Employee may Retire on an Early Retirement Article II Pension if he has attained age 60 and has 15 or more (but less than 20) years of Pension Credit.
  - (2) An Employee who terminates Covered Employment prior to age 60 with a nonforfeitable benefit and 15 or more years of Pension Credit may Retire on an Early Retirement Article II Pension upon attainment of age 60.
- (b) The Early Retirement Article II Pension shall be a monthly amount equal to:

- (1) the monthly amount of the Reduced Article II Pension to which the Employee would be entitled based on his years of Pension Credit if he were age 65 at the Effective Date of his Early Retirement Article II Pension,
- (2) reduced by .5% for each full month by which the Employee is younger than age 65 at the Effective Date of his Early Retirement Article II Pension.
- (c) If a Pensioner who has Retired on an Early Retirement Article II Pension returns to Covered Employment in accordance with Section 2.08, he shall receive additional Pension Credit Article II-A in accordance with these Regulations, provided that his total years of Pension Credit shall not exceed 20.

**B1.08 SPECIAL ADJUSTMENTS TO THE EARLY RETIREMENT ARTICLE II PENSION**

Effective January 1, 2003 the amount of Early Retirement Article II Pension payable to all Pensioners (and the surviving spouses of all Pensioners) who retired prior to January 1, 1976 and who were receiving benefits as of January 1, 2003 was increased by 15%.

**B1.09 DISABILITY ARTICLE II PENSION**

- (a) An Employee who has a Disability may Retire on a Disability Article II Pension if he has at least 10 years of Pension Credit. Alternatively, a participant with at least 6 years of Vesting Credit and 6 years of Pension Credit may retire on a Disability Article II Pension provided that the participant ceased working in Covered Employment on or after June 1, 2001 due to a permanent and total disability which is evidenced by receipt of a Social Security Disability award that established a benefit commencement date within one year of the day the participant last worked in Covered Employment.
- (b) The Disability Article II Pension shall be a monthly amount equal to \$18.36 for each year of Pension Credit up to 20 years. Prior to August 1, 1994, the Disability Article II Pension was a monthly amount equal to \$16.69 for each year of Pension Credit up to 20 years.

**B1.10 SPECIAL ADJUSTMENTS TO THE DISABILITY ARTICLE II PENSION**

- (a) Effective July 1, 1999, for all Pensioners who had 20 or more years of Pension Credit on or before February 14, 2001, and who were receiving benefits as of February 14, 2001, the Disability Article II Pension is \$800.00 per month.
- (b) Effective January 1, 2003 the amount of Disability Article II Pension payable to all Pensioners (and the surviving spouses of all Pensioners) who retired prior to January 1, 1976 and who were receiving benefits as of January 1, 2003 was increased by 15%.

**B1.11 OTHER ARTICLE II PROVISIONS**

Sections 2.04 through 2.09 and ARTICLE VI shall apply to Pensions payable under this Appendix B.

**SECTION II**

This Section II of Appendix B describes the Article II-A Pension provisions applicable before January 1, 2009.

**B2.1 REDUCED PENSION**

Prior to August 1, 1994, with respect to an Employee who satisfies the requirements of Section 2.02(a) and earns one quarter of Pension Credit after June 16, 1978, the Reduced Article II-A Pension shall be a monthly amount

equal to the greater of \$18.02 for each year of Pension Credit up to 20 years, or 2% of an Employee's Pay for each year of Pension Credit up to 20 years.

**B2.2 REGULAR PENSION ADJUSTMENTS**

- (a) For the period from July 1, 1990 through July 31, 1994, the Schedule in Section 2A.02(d) is replaced by the Schedule set forth below:

Years of Pension Credit	Benefit is the Greater of
20	\$360.40 or 53-3/9% of Pay
21	\$378.42 or 56-8/9% of Pay
22	\$396.44 or 60-4/9% of Pay
23	\$414.46 or 64% of Pay
24	\$432.48 or 67-5/9% of Pay
25	\$450.50 or 71-1/9% of Pay
26	\$473.82 or 74-6/9% of Pay
27	\$497.14 or 78-2/9% of Pay
28	\$520.46 or 81-7/9% of Pay
29	\$543.78 or 85-3/9% of Pay
30	\$567.10 or 88-8/9% of Pay
Over 30	An additional \$23.32 per month or 3-5/9% of Pay per year

- (b) Effective July 1, 1999, the flat dollar benefit amounts in the Schedule in Section 2A.02(d) shall not be less than \$800.00 for all individuals who were Pensioners on or before February 14, 2001.

**B2.3 REGULAR PENSION ADJUSTMENTS**

Effective January 1, 2003 the amount of Article II or Article II-A Regular Pension payable to all Pensioners (and the surviving spouses of all Pensioners) who retired prior to January 1, 1976 and who are receiving benefits as of January 1, 2003 shall be increased by 15%.

Effective January 1, 2006, for each Article II or Article II-A Pensioner whose gross monthly Pension (calculated as a straight life annuity) as of January 1, 2006, was equal to or greater than \$800 but less than \$1,000, his/her gross monthly Pension (calculated as a straight life annuity) shall be increased to \$1,000. The Pension payable to the surviving spouse of such a Pensioner who was in pay status as of January 1, 2006 shall be increased proportionately. This provision shall not be applicable to Pensioners who elected to receive lump sum payments.

Effective January 1, 2006, for each Article II or Article II-A Pensioner whose gross monthly Pension (calculated as a straight life annuity) as of January 1, 2006, was at least \$1,000 but less than \$2,000 and each surviving spouse of such Pensioner who is in pay status as of January 1, 2006, his/her gross monthly Pension shall be increased by 10%. This provision shall not be applicable to Pensioners who elected to receive lump sum payments.

**APPENDIX C**

**SERVICE PROVISIONS APPLICABLE TO PRIOR PERIODS**

Appendix C describes prior rules for crediting service for Covered Employment, including former Members of the BMO and Licensed Radio Officers.

**C1.1 CREDIT FOR PERIODS BEFORE JANUARY 1, 1956**

- (a) An Employee shall be entitled to Past Service Credit (credit for service prior to January 1, 1956) if:
  - (1) he worked in Covered Employment for at least 200 days during the period beginning on January 1, 1951 and ending on December 31, 1955, and he had not Retired during that period but had remained (unless disabled) available for employment as a licensed marine officer in the American Merchant Marine. Continued membership in the Association shall be evidence of continued availability for such employment; or
  - (2) he satisfies any one of the requirements in subparagraph (A), (B), or (C) below and the requirement of subparagraph (D) below:
    - (A) he has at least 15 years of Pension Credit in any 25 consecutive calendar years after 1955;
    - (B) he has at least 20 years of Pension Credit in any 30 consecutive calendar years after 1955;
    - (C) he has at least 25 years of Pension Credit in any 35 consecutive calendar years after 1955;
    - (D) he has not Retired prior to June 16, 1978.
- (b) If an Employee is entitled to Past Service Credit, he shall be granted such Past Service Credit on the following basis:
  - (1) He shall be entitled to Past Service Credit for employment as a licensed marine officer on vessels in the American Merchant Marine, of an Employer or as an official of the Association (including any organization which has become part of the Association) during the period beginning on January 1, 1935 and ending on December 31, 1955, provided that the Employee submits to the Trustees written evidence, satisfactory to the Trustees, of such employment. On the basis of such employment, Past Service Credit shall be granted in quarter year units as follows, depending upon the number of days of Covered Employment in each calendar year:

<b>Days of Covered Employment in a Calendar Year</b>	<b>Quarters to be Credited</b>
Less than 50	None
50 to 99	1
100 to 149	2
150 to 199	3
200 or more	4

- (2) Because it would be difficult in many cases to provide evidence of employment prior to January 1, 1956, an Employee shall receive Past Service Credit, if he is otherwise so entitled, in accordance with paragraph (1) above for each of the following periods during which he was a member of the Association, if he furnishes written evidence of at least 100 days of actual sea service as a licensed marine officer, or employment in a shoreside marine capacity by a maritime department of the United States or as an Association official:

January 1, 1935 to December 31, 1940  
 January 1, 1941 to December 31, 1945  
 January 1, 1946 to December 31, 1950  
 January 1, 1951 to December 31, 1955

- (c) Notwithstanding subsection (b) above, if an Employee has less than 200 days in Covered Employment during the period beginning on January 1, 1951 and ending on December 31, 1955, or if an Employee does not meet the requirements set forth in subsection (b)(2) above, he shall receive Past Service Credit only for the actual days of employment during such period in accordance with subsection (b)(1) above.

**C1.2 CREDIT FOR PERIODS FROM JANUARY 1, 1956 THROUGH DECEMBER 31, 1971**

Effective for the period beginning on January 1, 1956 and ending on December 31, 1971, an Employee shall receive one year of Pension Credit for each calendar year in which he has at least 200 days in Covered Employment. An Employee who has less than 200 days in Covered Employment in a calendar year shall receive Pension Credit in quarter year units as follows:

<b>Days of Covered Employment in a Calendar Year</b>	<b>Quarters to be Credited</b>
Less than 50	None
50 to 99	1
100 to 149	2
150 to 199	3
200 or more	4

**C1.3 CREDIT FOR PERIODS FROM JANUARY 1, 1972 THROUGH DECEMBER 31, 1985 (LICENSED MARINE OFFICERS) AND FROM JANUARY 1, 1982 THROUGH DECEMBER 31, 1985 (LICENSED RADIO OFFICERS AND FORMER BMO MEMBERS)**

- (a) With respect to the period beginning on January 1, 1972 and ending on December 31, 1985 (Licensed Marine Officers) and the period beginning on January 1, 1982 and ending on December 31, 1985 (Licensed Radio Officers and former BMO members), an Employee shall receive one year of Pension Credit for each calendar year in which he has at least 280 days in Covered Employment. An Employee who has less than 280 days in Covered Employment in a calendar year shall receive Pension Credit in quarter year units as follows:

<b>Days of Covered Employment in a Calendar Year</b>	<b>Quarters to be Credited</b>
Less than 70	None
70 to 139	1
140 to 209	2
210 to 279	3
280 or more	4



- (b) Notwithstanding subsection (a) above, an Employee who was employed by Employers who are not obligated to make the contributions necessary to provide for Article II-A Pension shall receive Pension Credit computed in accordance with the section above titled "Credit for Periods from January 1, 1956 through December 31, 1971".

**C1.4 CREDIT FOR PERIODS ON OR AFTER JANUARY 1, 1986**

Beginning on January 1, 1986 an Employee shall receive Pension Credit as follows:

- (a) An Employee shall receive Pension Credit in accordance with the section immediately above for calendar year 1986 if all of such Employee's Pension Credit for calendar year 1986 is based on Covered Employment during the period beginning on January 1, 1986 and ending on June 30, 1986.
- (b) An Employee shall receive Pension Credit in accordance with subsection (c) below for calendar year 1986, if any of the Employee's Pension Credit for calendar year 1986 is based on Covered Employment during the period beginning on July 1, 1986 and ending on December 31, 1986 and such Employee had not Retired on or before December 31, 1986.
- (c) An Employee shall receive one year of Pension Credit for each calendar year beginning on or after January 1, 1987 in which he has at least 240 days in Covered Employment. An Employee who has less than 240 days in Covered Employment shall receive Pension Credit in quarter year units as follows:

<b>Days of Covered Employment in a Calendar Year</b>	<b>Quarters to be Credited</b>
Less than 60	None
60 to 119	1
120 to 179	2
180 to 239	3
240 or more	4

- (d) Notwithstanding subsections (a), (b) and (c) above, an Employee who is employed by Employers who are not obligated to make the contributions necessary to provide for Article II-A Pension, shall receive Pension Credit computed in accordance with the section above titled "Credit for Periods from January 1, 1956 through December 31, 1971".

**C1.5 CREDIT FOR FORMER MEMBERS OF THE BMO**

For periods before 2009, the term Covered Employment with respect to former members of the BMO, includes employment prior to October 16, 1981 for which the Employer was obligated to make contributions to the BMO Pension Plan.

In the case of former members of the BMO, the rules in effect prior to January 1, 1982 covering Past Service Credit, Vesting Credit and Breaks in Service, are contained in the regulations of the respective plans.

**C1.6 CREDIT FOR LICENSED RADIO OFFICERS**

The term "Licensed Radio Officer" shall mean any Licensed Officer participating in the Plan whose primary affiliation is with the ROU, including any officer for whom an Employer was formerly obligated to make contributions to the ROU Pension Plan, but excluding any radio officer who is described in Section 1.19.

For periods before 2009, the term Covered Employment with respect to Licensed Radio Officers, includes employment prior to August 1, 1978 for which the Employer was obligated to make contributions to the ROU Pension Plan.

In the case of Licensed Radio Officers, the rules in effect prior to January 1, 1982 covering Past Service Credit, Vesting Credit and Breaks in Service, are contained in the regulations of the respective plans.

A Licensed Marine Officer who has worked in Covered Employment under this Plan and under the District No. 2, MEBA AMO Pension Plan shall receive Pension Credit for such total employment, computed in accordance with the Reciprocal Agreement annexed hereto as Appendix A and made a part hereof, which Agreement was terminated effective July 31, 1994.

**APPENDIX D**

**SCHEDULES OF ARTICLE II-A PENSION AMOUNTS**

**SCHEDULE 1. AMOUNT OF ARTICLE II-A PENSION BEFORE JUNE 16, 1977**

- (a) With respect to an Employee who Retired before June 16, 1977, the monthly amount of the Regular Pension shall be determined as follows:

<b>Years of Pension Credit</b>	<b>Benefit is the Greater of</b>
20	\$325 or 37-1/2% of Pay
21	\$345 or 40% of Pay
22	\$365 or 42-1/2% of Pay
23	\$385 or 45% of Pay
24	\$405 or 47-1/2% of Pay
25	\$425 or 50% of Pay
30	\$470 or 60% of Pay

- (b) The Reduced Pension shall be a monthly amount equal to \$16.25 for each year of Pension Credit up to 20 years or 1.875% of the Employee's Pay for each year of Pension Credit up to 20 years, whichever is greater.
- (c) In no event shall the Actuarial Equivalent of a Regular Pension payable prior to Normal Retirement Age be less than the value of a deferred Pension payable at age 65 of 1.8% of an Employee's Pay for each year of Pension Credit not in excess of 33 1/3 years.
- (d) Effective September 1, 1974, the flat dollar benefit amounts provided in this SCHEDULE 1 shall be subject to a 6% increase.
- (e) Effective August 1, 1994, the Pension benefits calculated in accordance with this SCHEDULE 1 shall be increased by 10% for all Pensioners who Retired on or before July 1, 1977 and who were not eligible for any cost of living adjustments provided in ARTICLE V.
- (f) Effective July 1, 1999, the flat dollar benefit amounts in the Schedule in subsection (a) shall not be less than \$800.00.

**SCHEDULE 2. AMOUNT OF ARTICLE II-A PENSION BETWEEN JUNE 16, 1977 AND JUNE 15, 1978**

- (a) Effective June 16, 1977 and with respect to Employees who have not already Retired on that date and have either met the requirements for a Regular Pension on that date or earned one quarter of Pension Credit thereafter, the monthly amount of Regular Pension shall be determined under the following Schedule, and in order to compute Reduced, Early Retirement and Disability Pensions, a factor of 2% of Pay shall be used in lieu of the 1.875% referred to in SCHEDULE 1(b):

<b>Years of Pension Credit</b>	<b>Benefit is the Greater of</b>
20	\$344.50 or 40% of Pay
21	\$365.70 or 42% of Pay
22	\$386.90 or 44% of Pay
23	\$408.10 or 46% of Pay
24	\$429.30 or 48% of Pay
25	\$450.50 or 50% of Pay
26	\$460.04 or 52% of Pay

<b>Years of Pension Credit</b>	<b>Benefit is the Greater of</b>
27	\$469.58 or 54% of Pay
28	\$479.12 or 56% of Pay
29	\$488.66 or 58% of Pay
30	\$498.20 or 60% of Pay
Over 30	An additional 2% per year for each year of Pension Credit up to age 65

- (b) Effective August 1, 1994, the flat dollar benefit amounts set forth in this SCHEDULE 2 shall be subject to a 10% increase.
- (c) Effective July 1, 1999, the flat dollar benefit amounts in the Schedule in subsection (a) shall not be less than \$800.00.

**SCHEDULE 3. AMOUNT OF ARTICLE II-A PENSION BETWEEN JUNE 16, 1978 AND JUNE 15, 1981**

- (a) Effective June 16, 1978 and with respect to Employees who have not already Retired on that date and have either met the requirements for a Regular Pension on that date or earned one quarter of Pension Credit thereafter, the monthly amount of Regular Pension shall be determined under the following Schedule, and in order to compute the Reduced, Early Retirement and Disability Pensions, an amount of \$18.02 or a factor of 2% of Pay shall be used in lieu of the \$16.25 and 1.875% of Pay, respectively, referred to in SCHEDULE 1(b):

<b>Years of Pension Credit</b>	<b>Benefit is the Greater of</b>
20	\$360.40 or 40% of Pay
21	\$378.42 or 42% of Pay
22	\$396.44 or 44% of Pay
23	\$414.46 or 46% of Pay
24	\$432.48 or 48% of Pay
25	\$450.50 or 50% of Pay
26	\$473.82 or 52% of Pay
27	\$497.14 or 54% of Pay
28	\$520.46 or 56% of Pay
29	\$543.78 or 58% of Pay
30	\$567.10 or 60% of Pay
Over 30	An additional \$23.32 per month or 2% per year for each year of Pension Credit up to age 65

- (b) Effective August 1, 1994 the flat dollar benefit amounts provided in this SCHEDULE 3 shall be subject to a 10% increase.
- (c) Effective July 1, 1999, the flat dollar benefit amounts in the Schedule in subsection (a) shall not be less than \$800.00.

**SCHEDULE 4. AMOUNT OF ARTICLE II-A PENSION FOR PERIOD JUNE 16, 1981 - JULY 31, 1994**

Effective June 16, 1981, with respect to Employees who have not already Retired on that date, and who fulfill the requirements for a Regular Article II-A Pension and earn four or more quarters of Pension Credit after July 1, 1981, the monthly amount of the Regular Article II-A Pension under Section 2A.02(c) shall be determined as follows:

<b>Years of Pension Credit</b>	<b>Benefit is the Greater of</b>
20	\$360.40 or 40% of Pay
21	\$378.42 or 42-2/3% of Pay
22	\$396.44 or 45-1/3% of Pay
23	\$414.46 or 48% of Pay
24	\$432.48 or 50-2/3% of Pay
25	\$450.50 or 53-1/3% of Pay
26	\$473.82 or 56% of Pay
27	\$497.14 or 58-2/3% of Pay
28	\$520.46 or 61-1/3% of Pay
29	\$543.78 or 64% of Pay
30	\$567.10 or 66-2/3% of Pay
Over 30	An additional \$23.32 per month or 2-2/3% of Pay per year

**SCHEDULE 5. AMOUNT OF ARTICLE II-A PENSION FOR PERIOD JULY 1, 1990 - JULY 31, 1994**

Effective July 1, 1990, with respect to Employees who have not already Retired or received an Alternate Lump Sum Distribution on that date and who satisfy the requirements for a Regular Pension and have at least one day of Covered Employment on or after July 1, 1990, the monthly amount of the Regular Pension under Section 2A.02(d) shall be determined as follows:

<b>Years of Pension Credit</b>	<b>Benefit is the Greater of</b>
20	\$360.40 or 53-3/9% of Pay
21	\$378.42 or 56-8/9% of Pay
22	\$396.44 or 60-4/9% of Pay
23	\$414.46 or 64% of Pay
24	\$432.48 or 67-5/9% of Pay
25	\$450.50 or 71-1/9% of Pay
26	\$473.82 or 74-6/9% of Pay
27	\$497.14 or 78-2/9% of Pay
28	\$520.46 or 81-7/9% of Pay
29	\$543.78 or 85-3/9% of Pay
30	\$567.10 or 88-8/9% of Pay
Over 30	An additional \$23.32 per month or 3-5/9% of Pay per year

**APPENDIX E**  
**[RESERVED]**

## APPENDIX F

### PROVISIONS AFFECTING MEBA TOWBOAT EMPLOYEES

#### SECTION I – DEFINITIONS OF TERMS

The following words and phrases as used in this Appendix F, shall have the meanings set forth below only for purposes of this Appendix F. To the extent terms from ARTICLE I of the Regulations are used herein, their definitions are specifically incorporated by reference as stated in Section F1.09 below. The following words and phrases shall have the following meanings:

- F1.01 “Actuarial Equivalent” shall have the same meaning as in Section 1.01, except that equivalent value shall be based on the Group Annuity Table for 1951 (instead of 1971) with a 6% interest rate (instead of 5%).
- F1.02 Credited Service means the sum of Credited Past Service and Credited Future Service as described in Section II of this Appendix F.
- F1.03 Collective Bargaining Agreement means a labor contract executed between a Towboat Employer and the Union requiring contributions to the Trust Fund for Covered Employment and any extensions, amendments, modifications or renewals thereof.
- F1.04 Covered Employment with respect to a Participant means the period of employment after December 1, 1959, for which one or more Towboat Employers have made or were required to make contributions to the Trust Fund or its predecessor on account of that Participant.
- F1.05 Towboat Employee means an employee who has worked, or is working, for one or more Towboat Employers who are obligated to contribute under the terms of a Collective Bargaining Agreement, or in contiguous employment for a Towboat Employer in a non bargaining unit capacity not covered by any Collective Bargaining Agreement with the Union but for which the employee is entitled to be compensated by such Towboat Employer.
- F1.06 Towboat Employer means (a) prior to the Effective Date of Merger, every employer who was a contributor to the Towboat Operators Plan pursuant to a Collective Bargaining Agreement and (b) on or after the Effective Date of Merger, the Golden Gate Bridge, Highway and Transportation District for so long as it is required to make the necessary contributions to provide for the benefits under this Appendix F.
- F1.07 Participant means any employee who had an accrued benefit under the Towboat Operators Pension Plan on the Effective Date of Merger and every employee who subsequent to that date becomes a Towboat Employee under this Appendix F for whom contributions to the Trust Fund are required to be made under the Collective Bargaining Agreement.
- F1.08 Effective Date of Merger means November 30, 2000.
- F1.09 Incorporation by Reference. The following terms as defined in ARTICLE I are hereby incorporated by reference in this Appendix F and shall have the same meaning in interpreting the provisions of Appendix F:

Beneficiary  
Code  
ERISA  
Maritime Employment  
MEBA Pension Trust  
Pension  
Plan

Plan Office  
 Plan Year  
 Regulations and Plan  
 Trust Agreement  
 Trustees  
 Union

**SECTION II – PARTICIPATION AND CREDITED SERVICE**

- F2.01 Eligibility for Participation -- A Towboat Employee shall be eligible to participate in this Plan upon employment by a Towboat Employer in work covered by a Collective Bargaining Agreement with the Union.
- F2.02 Credited Prior Service -- Each Towboat Employee shall be credited with the Credited Past Service and the Credited Future Service earned under the Towboat Operators Plan as of November 30, 2000.
- F2.03 Credited Future Service -- On and after December 1, 2000, each Towboat Employee shall be credited with Credited Future Service as follows:
- (a) For the month of December, 2000, each Towboat Employee shall be credited with a month of contributions if the Towboat Employee has 173 hours of Covered Employment during December, 2000, including all hours for which the Participant is paid or entitled to be paid directly or indirectly, or for which he is compensated for paid vacation, holiday, or leaves of absence, or for which back pay is awarded. Such hours shall be credited as provided in DOL Regulation 2530.200b-2(a)(1), (a)(2), (a)(3), (b) and (c).
  - (b) On or after January 1, 2001, each Towboat Employee shall be credited with Credited Future Service in a year (measured from January 1 to December 31) as follows:

<b>Credited Future Service</b>	<b>Total Number of Monthly Contributions</b>
4 Quarters	8 or more
3 Quarters	6 but less than 8
2 Quarters	4 but less than 6
1 Quarter	2 but less than 4
None	less than 2

In applying the above table, a Participant shall be credited with a month of contributions for each 173 hours of Covered Employment during such January 1 to December 31 year, including all hours for which the Participant is paid or entitled to be paid directly or indirectly, or for which he is compensated for paid vacation, holiday or leaves of absence, or for which back pay is awarded. Such hours shall be credited as provided in DOL Regulation 2530.200b.2(a)(1), (a)(2), (a)(3), (b) and (c); provided, however, that any Towboat Employee who would have earned more Credited Future Service under the above table based on hours of Covered Employment in the period December 1, 2000 through November 30, 2001 than he actually earned based on hours of Covered Employment in the calendar year ending December 31, 2001, shall be credited with such larger amount of Credited Future Service for such calendar year.



### **SECTION III – RETIREMENT DATES**

- F3.01 Normal Retirement Date -- A Participant shall have the nonforfeitable right to receive a normal retirement benefit under this Appendix F, upon the first day of the month coinciding with or next following the fulfillment of the following events, which shall be the Participant's Normal Retirement Date:
- (a) He attains age 65, has at least 10 years of Credited Service without a permanent break in service as defined in Section VII of this Appendix F and has retired from Covered Employment under this Appendix F; or
  - (b) He attains age 65 and reaches the tenth anniversary of his employment under this Appendix F (including the predecessor plan) without a permanent break in service as defined in Section VII of this Appendix F, and has retired from Covered Employment.
- F3.02 Early Retirement Date -- A Participant shall be entitled to retire on an Early Retirement Date which shall be the first day of the month coinciding with or next following the day on which he has attained age 55, but not Normal Retirement Age, with ten (10) years of Credited Service.
- F3.03 Postponed Retirement Date -- A Participant may postpone his retirement beyond his Normal Retirement Date, in which event his Postponed Retirement Date will be the first day of the month following his last day of Covered Employment.
- F3.04 Disability Retirement Date -- Effective on and after July 1, 1980, a Participant shall be entitled to retire on a Disability Retirement if he becomes totally and permanently disabled at a time when:
- (a) He has at least fifteen (15) quarters of Credited Service without a permanent break in service as defined in Section VII of this Appendix F; and
  - (b) He has received a minimum of one quarter of Credited Service in each of fifteen (15) years (measured from December 1 to November 30), or has met the requirements for Early Retirement.

Total and permanent disability for purposes of this Section F3.04 shall mean disability by reason of bodily injury or disease that permanently incapacitates the employee from performing the type of work covered by the Collective Bargaining Agreements between the Towboat Employers and the Union, except disability resulting from self inflicted injury or the habitual use of narcotics or alcoholic beverages.

The Trustees may accept as evidence of such disability an award of Social Security Disability benefits or any other evidence satisfactory to them, that the employee is in fact so disabled.

- F3.05 Application for Retirement Date and Benefit Commencement Date -- The actual retirement date of a Towboat Employee shall be the later of the date on which the Towboat Employee applies for a Pension or the date on which the Towboat Employee has actually retired and qualifies for the Pension for which he applied. Such application shall be made in writing, in a form and manner prescribed by the Trustees. Benefits shall commence no later than the 60th day following the end of the Plan Year in which the Employee qualifies for normal retirement, and shall be payable retroactively to the Towboat Employee's actual retirement date.

Each Participant and retired Participant shall furnish to the Trustees any information or proof requested by them and reasonably required to administer the Plan. Failure on the part of any Participant to comply with such request completely shall be sufficient grounds for denying, suspending, or discontinuing benefits to such person. If a Participant or other claimant to benefits hereunder makes a false statement material to his claim for benefits, the Trustees shall recoup, offset or recover the amount of any payments in excess of the amount to which the recipient was rightfully entitled under the provisions of the Plan.

## **SECTION IV – RETIREMENT INCOME**

### **F4.01 Normal Retirement Income**

- (a) The amount of Normal Retirement Income of Participants accrued prior to the Effective Date of Merger for his Credited Prior Service shall remain as determined in accordance with the terms of the Towboat Operators Plan in effect prior to the merger into this Plan, and nothing involved in the merger shall increase or diminish the benefits provided prior to the merger.
- (b) The amount of Normal Retirement Income payable as a Single Life Annuity to a Participant retiring on or after the Effective Date of Merger shall equal the following:
  - (1) \$145.00 times the number of accrued years and quarters of Credited Future Service earned on or after January 1, 2001 and prior to January 1, 2013; plus
  - (2) \$152.00 times the number of accrued years and quarters of Credited Future Service earned on or after January 1, 2013; plus
  - (3) \$18.13 for any Towboat Employee who in accordance with Section F2.03 (a) had 173 hours of Covered Employment in December, 2000.

The level of benefit is based on a Towboat Employer contribution as of March 18, 2013 of 8% of wages.

### **F4.02 Early Retirement Income** -- The monthly amount of retirement income payable on a Participant's Early Retirement Date shall be equal to his Normal Retirement Income earned for Credited Service to his Early Retirement Date reduced by:

- (1) 1/4% for each month that payment begins before his Normal Retirement Date and after his sixtieth birthday, and
- (2) 1/2% for each month that payment begins before his sixtieth (60th) birthday and after his fifty-fifth (55th) birthday.

These reductions are made to reflect the fact that payments commence sooner and will be paid over a longer period of time than if he had retired on his Normal Retirement Date. After the reduction factor has been applied, the resultant Early Retirement Income shall be rounded to the next higher multiple of 50 cents, unless it is already a multiple of 50 cents.

### **F4.03 Postponed Retirement Income** -- A Participant who retires on a Postponed Retirement Date will receive a monthly amount of retirement income determined in the same manner as though it were his Normal Retirement Date.

### **F4.04 Disability Retirement Income** -- A Participant who retires on a Disability Retirement Date shall receive a monthly amount of retirement income determined in the same manner as though it were his Normal Retirement Date.

Payment of Disability Retirement Income shall commence as of the first day of the month following, or coincident with, the day on which the application is filed, and shall continue thereafter for so long as the retired Participant remains permanently and totally disabled as defined in Section F3.04 except that upon attainment of age 65 a retired Participant on Disability Retirement shall have his benefits continued regardless of whether he remains permanently and totally disabled. If a retired Participant who is receiving Disability Retirement Income loses entitlement to Disability Benefits by reason of recovery from disability, such fact shall be reported in writing to the Trustees within 30 days of the date of such recovery.

A Retired Participant on Disability Retirement who is no longer permanently and totally disabled may reenter Covered Employment and will thereupon resume his accrual of Credited Service.

## **SECTION V – NORMAL FORM OF RETIREMENT INCOME AND RELATED PROVISIONS**

F5.01 Normal Forms of Retirement Income -- The normal form of retirement income shall consist of monthly payments commencing as described in Section F3.05, in the following forms:

- (a) For a Participant who is single: a Single Life Annuity for the lifetime of the Participant. This benefit, calculated as of a Normal Retirement Date at the Participant's attaining age 65, shall be the actuarial basis for all other benefits. A Participant who is single may also elect any one of the optional forms of benefit provided in Section VI of this Appendix F.
- (b) For a Participant who is married on his Retirement Date: a Joint and Survivor Annuity for the life of the Participant with a Survivor Annuity to his spouse equal to 50% of the benefit paid during the life of the Participant. The Participant may, with the properly witnessed consent of the Participant's spouse, elect the Single Life Annuity, or a Joint and Survivor Annuity with a survivor annuity equal to 66 2/3%, 75% or 100% of the benefit paid during the life of the Participant. In any Joint Annuity benefit, the benefits will be determined so that the value of the whole benefit is the Actuarial Equivalent of a single life annuity for the life of the Participant under subsection (a) above.

The Plan Office shall, at least 30 but no more than 90 days prior to the date of Pension commencement, provide the Participant and spouse with an explanation of the Joint and Survivor Annuity. However, no waiver shall be effective unless the spouse consents in writing to the Plan Office, duly witnessed by a Plan representative or Notary Public, stating her understanding of her rights and of the effect of her consent or refusal to consent thereto. The period for election may be extended upon request of the parties, but benefits shall be delayed until such election is properly waived or made.

If the benefit has been waived or the spouse cannot be located, or under such other circumstances as the Secretary of Labor may prescribe, the Participant may elect an optional form of benefit under Section VI of this Appendix F. Any benefit will be nullified by the death of the spouse or other Beneficiary prior to retirement, but once in effect, it will not be affected by the death of the spouse or other Beneficiary after retirement and cannot under any circumstances be revoked by the Participant after retirement.

F5.02 Entitlement to One Retirement Income -- A retired Participant shall not be entitled to the payment of more than one type of retirement income at any one time under this Plan.

F5.03 Employment of a Retired Participant After Normal Retirement -- The retirement income payments of any retired Participant who is employed in Maritime Employment after normal retirement age without the written permission of the Trustees shall be suspended for any month during which he is employed for five (5) days or more. Such employment shall include employment in any capacity whether as an employee, supervisor, manager (either for a participating or non participating employer) or as a self employed owner/operator.

Upon notice to the Trustees and proof satisfactory to them that the retired Participant has ceased such employment, his retirement income payments shall be resumed (increased for any additional benefits accrued under this Plan) no later than the first day of the third calendar month after such notice and proof is provided but subject to recoupment of all payments inadvertently made to him for any such month of employment by deductions of up to but not in excess of 25% of any one monthly benefit payment made to him after his return to retirement status, until the entire amount has been repaid.

If a retired Participant has worked in Maritime Employment in any month after normal retirement age and has failed to give timely notice to the Plan of such employment, the Trustees shall presume that he worked for at least five (5) days in such month and any subsequent month before the retired Participant gives notice

that he has ceased the employment. The retired Participant can overcome this presumption by establishing to the Trustees' satisfaction that his work was not in fact an appropriate basis, under the Plan, for suspension of his benefits. The Trustees shall inform all retired Participants at least once every 12 months of the presumption set forth in this paragraph.

- F5.04 Employment of a Retired Participant Prior to Normal Retirement Age -- The retirement income payments of any retired Participant who returns to employment in Maritime Employment prior to normal retirement age without the written permission of the Trustees shall be immediately suspended for any calendar month during which the Participant was so employed and, for six additional months, to the extent not prohibited by ERISA Section 203 (a) (3) (B) and any related DOL regulations; provided however, that under extenuating circumstances and at the discretion of the Trustees, such additional six-month suspension of payment may be waived. The retirement income payments shall not again be resumed until the retired Participant has given notice to the Trustees and proof satisfactory to them that he has ceased such employment (and after the additional six-month suspension, if applicable). His retirement income payment shall then be his normal retirement benefit actuarially recalculated to take into account any monthly retirement income payments made to him while he was so employed and any additional Credited Service earned by him in the interim.

The retired Participant may, prior to acceptance of any employment, request a determination by the Trustees as to whether acceptance of such employment would result in suspension of his retirement income payments as herein provided. The Trustees may at reasonable intervals require the retired Participant to submit reasonable information to verify that he is not so employed or has ceased such employment, and may withhold payment of benefits until he has complied. Such information may include W 2 Forms, Social Security records or any other reasonably pertinent information.

If a retired Participant has worked in Maritime Employment in any month prior to normal retirement age and has failed to give timely notice to the Plan of such employment, the Trustees shall presume that he worked for at least five (5) days in such month and any subsequent month before the retired Participant gives notice that he has ceased the employment. The retired Participant can overcome this presumption by establishing to the Trustees' satisfaction that his work was not in fact an appropriate basis, under the Plan, for suspension of his benefits. The Trustees shall inform all retired Participants at least once every 12 months of the presumption set forth in this paragraph.

- F5.05 Designation of Beneficiary -- An unmarried Participant may designate a Beneficiary or Beneficiaries to receive any monthly benefit payments due and payable at time of death but not actually paid prior to the death of the retired Participant, by forwarding such designation on a form acceptable to the Plan Office. Such Participant shall have the right to change his designation of Beneficiary without the consent of the Beneficiary, but no such change shall be effective or binding on the Trustees unless it is received by the Trustees prior to the time any payments are made to the Beneficiary whose designation is on file with the Plan Office. The designated Beneficiary for a Participant who is married is his spouse, unless the Participant designates another person with the consent of his spouse. A married Participant may make or change such a designation only with the consent of his spouse, properly witnessed by a Notary Public or Plan representative.

## **SECTION VI – OPTIONAL FORMS OF RETIREMENT INCOME**

- F6.01 Optional Forms of Retirement Income -- In lieu of the normal forms of retirement income, an unmarried Participant, or a married Participant together with his spouse if they have properly waived the Joint and Survivor annuity, shall have the right to select by written notice filed with the Plan Office at any time not more than 90 days before his or her retirement date, retirement income in one of the following forms:

- (1) A reduced retirement income to the Participant with an amount equal to 50%, 66 2/3%, 75% or 100% thereof payable to a designated contingent annuitant other than the spouse if such contingent annuitant shall survive him, or

- (2) A reduced retirement income to a married Participant with an amount equal to 66 2/3%, 75% or 100% thereof payable to the spouse of the Participant as a contingent annuitant if surviving the Participant.

F6.02 Actuarial Equivalent of All Retirement Incomes -- All optional forms of retirement shall be the Actuarial Equivalent of the normal form of retirement income provided in Section F5.01(a). Once an election for any optional form has been made, such election shall not be revocable except that prior to the Participant's retirement date, he may revoke an election and return to the normal form of benefit under Section F5.01.

F6.03 Payment of Retirement Income Only Upon Actual Retirement -- Except as provided in Section VIII of this Appendix F, if an eligible Participant dies before his actual retirement date and before any retirement income payments have been paid to him, no retirement income payments will be paid under the Plan to anyone, whether or not the eligible Participant made an election under this Section VI.

F6.04 Nullification of Election of an Option -- If a contingent annuitant designated by the eligible Participant who has elected one of these options shall predecease the eligible Participant before his actual retirement, the election of an option shall become null and void and of no effect. Except for the election of, or the waiver of, the Joint and Survivor Annuity by a married Participant or his spouse under Section F5.01 once an eligible Participant elects an option, it cannot be changed or rescinded without permission of the Trustees. Permission may be subject to satisfactory evidence of good health by the prior contingent Beneficiary.

## **SECTION VII – VESTING AND BREAKS IN COVERAGE EMPLOYMENT AND CANCELLATION OF CREDITED SERVICE**

### F7.01 General Rule Vesting –

- (a) Each Participant shall have his Vesting Service determined as of December 1, 2000, based on the provisions of the Towboat Operators Plan as in effect prior to the merger into this Plan.
- (b) For the month of December, 2000, hours of Vesting Service as defined in Section F2.03 shall be added to the Participant's hours of Vesting Service for the period ending November 30, 2000 if such Participant has fewer than 346 hours of Vesting Service in such period or, if not so added, shall be added in the first Plan Year beginning January 1, 2001 or any January 1 thereafter in which the Participant has fewer than 346 hours of Vesting Service so that at no point is the Participant's Vesting Service less than it would have been in the absence of the change to the vesting period.
- (c) Effective January 1, 2001, a Participant shall accrue a Year of Vesting Service if he has accrued at least 346 hours of Vesting Service in any year (measured from January 1 to December 31) ending December 31, 2001, or ending any December 31 thereafter.
- (d) An hour of Vesting Service shall be as defined in Section F2.03.
- (e) Effective December 1, 1995, a Participant who has accrued five (5) Years of Vesting Service shall be vested in his Credited Service (except years already lost by reason of a permanent break in service), if he has satisfied one of the following tests:
  - (1) he accrued at least 346 hours of Credited Service in the Plan Year ending November 30, 1995, and at least one hour of Credited Service in the Plan Year ending November 30, 1996; or
  - (2) he accrued at least 346 hours of Credited Service in any year ending November 30, 1996, or ending any November 30 thereafter until November 30, 2000 and thereafter in the year ending December 31, 2001 or ending any December 31 thereafter.

- (f) A Participant shall be vested in his Credited Service (except years already lost by reason of a permanent break in service) upon the later of attainment of age 65 and the fifth anniversary of his enrollment date in the Plan (or of his last enrollment date in the Plan if credit has been lost by reason of a permanent break in service).

F7.02 General Rule - Break in Service -- Breaks in service commencing prior to December 31, 2000, shall be determined under the provisions of the Towboat Operators Plan as in effect prior to the merger into this Plan. For breaks in service commencing on and after January 1, 2001, it shall be considered a one (1) year break in service if, in a year (measured January 1 to December 31), a Participant fails to perform at least 346 hours of Vesting Service. A break in service commencing on or after January 1, 2001, shall become permanent if the number of consecutive one (1) year breaks in service thereafter equal or exceed five (5) years and the Participant had less than five (5) years of Vesting Service. Years of Vesting Service and Credited Service accrued prior to a permanent break in service, whether under this rule or prior rules, shall not be taken into account for any purpose under this Appendix F.

No break in service shall occur during any year (measured from January 1 to December 31) in which a Towboat Employee will be credited with Hours of Vesting Service for any absence from employment due to pregnancy, birth of a child, adoption of a child, or caring for such child for a period beginning immediately after the birth or placement, when the Towboat Employee would otherwise have been working in Covered Employment. Time so credited shall be counted in the year (measured from January 1 to December 31) in which the absence from work begins only when necessary to prevent a break in service in such year, otherwise in the year (measured from January 1 to December 31) next following. Time so credited under this paragraph shall be counted only for purposes of preventing a break in service and not for any other purpose.

F7.03 Military Service -- A break in service shall not occur during any year (measured from December 1 to November 30 until November 30, 2000 and from January 1 to December 31 beginning January 1, 2001 and each January 1 thereafter) or portion thereof during which the Participant is in the military service of the United States during a period of declared national emergency and for the duration of such emergency, or as a result of being drafted, or during his first term of voluntary enlistment in a period in which there is no declared national emergency, or during which the Participant enters the American Merchant Marine in times of a national emergency and remains in such service during the continuation of such national emergency. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).

F7.04 Contiguous Employment Outside Bargaining Unit -- A break in service shall not occur in any year (measured from December 1 to November 30 until November 30, 2000 and from January 1 to December 31 beginning January 1, 2001 and each January 1 thereafter) in which a Participant is employed for not less than 346 hours upon contiguous employment as defined in Section F2.01 outside the bargaining unit for which he is entitled to be paid by a participating Towboat Employer as defined in Section F1.06 whether on a salary or hourly basis. Such service shall be counted for Vesting Service but shall not be counted toward accrual of benefits under Section F4.01(a) or (b).

F7.05 Disability -- If a Participant suffers a disability, either industrial or non-industrial, which has its inception after December 1, 1959, and which is continuous for nine months or more of the year (measured from December 1 to November 30 until November 30, 2000 and from January 1 to December 31 beginning January 1, 2001 and each January 1 thereafter) in which the disability had its inception so that he is prevented, because of such disability, from earning one quarter of Vesting Service in such year (measured from December 1 to November 30 until November 30, 2000 and from January 1 to December 31 beginning January 1, 2001 and each January 1 thereafter), such Participant will not suffer a break in service. Further, a Participant who suffers such a disability, which continues beyond the year (measured from December 1 to November 30 until November 30, 2000 and from January 1 to December 31 beginning January 1, 2001 and each January 1 thereafter) in which it had its inception, will not suffer a break in service during the second consecutive year (measured from December 1 to November 30 until November 30, 2000 and from January 1 to December 31 beginning January 1, 2001 and each January 1 thereafter) if the disability is the sole cause of the Participant's failure to earn a quarter's Vesting Service in such year. This paragraph, however,

may not be relied on to prevent a break in service for more than two consecutive years (measured from December 1 to November 30 until November 30, 2000 and from January 1 to December 31 beginning January 1, 2001 and each January 1 thereafter).

In order to secure the benefit of this Section F7.05 for a period of disability, a Participant must give written notice of such disability to the Trustees and must furnish such information and proof concerning such disability as the Trustees, in their sole discretion, may require. The Participant shall not be granted the benefit retroactively for more than the 30 days prior to his filing the written notice required by this paragraph, unless the Trustees find that there were extenuating circumstances which prevented a timely filing, in which event, the Trustees may determine the period for which prior credit may be received.

- F7.06 Break in Covered Employment -- If a Participant suffers a permanent break in service, and he subsequently becomes a Participant, he shall be considered a new Participant, and he will not be entitled to any benefits for service prior to his break in Covered Employment, other than those for which he may have been eligible in accordance with Sections F7.01 through F7.05 of this Section VII.
- F7.07 Employment by a Union -- A Participant who becomes a duly elected officer of a Union or who enters the employment of a Union shall not suffer a break in Covered Employment under this Appendix F. Such employment by a Union shall not be considered as Covered Employment unless contributions are made to the Fund on the Participant's behalf by the Union.
- F7.08 Notification of Credited Service to Participants -- Not less than once every three years, statements shall be prepared and distributed to each Participant showing the amount of Credited Service accrued by the Participant. The Trustees shall provide the Union with a copy of any Participant's statement, or the information contained therein, on request. Any Participant who believes that the Credited Service ascribed to him is inaccurate may protest the same, but only to the extent that the Credited Service protested is subsequent to the amount of Credited Service shown on the last statement. Unless a Participant has good cause for delay, he must lodge his protest within 60 days of receipt of the statement, or he will be deemed to have waived his objection.

#### **SECTION VIII – SPOUSE'S BENEFIT**

- F8.01 Conditions for Payment -- If a Participant dies prior to his retirement from the Plan, whether still actively employed or not, his spouse shall be entitled to a spouse's benefit calculated as of the date of death but commencing only upon the date the Participant unless already qualified would, if living, have qualified for early retirement upon the following conditions:
- (1) The Participant, regardless of age, has a vested interest in the Plan.
  - (2) The Participant and spouse shall have been married for at least one (1) year prior to the date of his death.
- F8.02 Amount of Spouse's Benefit -- The monthly amount of the Spouse's Benefit shall be one half of the benefit payable to the Participant as a single life annuity, based upon his service credited to date of death, for Early or Normal retirement, whichever is applicable. Payments shall be made monthly for the life of the spouse.

#### **SECTION IX – PRO RATA PENSIONS**

- F9.01 Purpose -- Pro Rata Pensions are provided under this Appendix F for Towboat Employees who would otherwise be ineligible for a Pension because their years of employment have been divided between employment creditable under this Appendix F and employment creditable under another pension plan or whose Pensions would otherwise be less than the full amount because of such division of employment.

- F9.02 Related Plans -- By resolution duly adopted, the Trustees may recognize another pension plan as a Related Plan. For purposes of this Section IX, the benefits provided under ARTICLE II, ARTICLE III, ARTICLE V, ARTICLE VII, ARTICLE VIII, ARTICLE IX hereof shall be treated as a Related Plan.
- F9.03 Related Credited Service -- The term "Related Credited Service" means quarters of service which are creditable under a Related Plan.
- F9.04 Combined Pension Credit -- The term "Combined Pension Credit" means the total of an employee's Related Credited Service plus the Credited Service accumulated under this Appendix F.
- F9.05 Non Duplication of Credits -- No Towboat Employee shall receive more than one year of Credited Service, Related Credited Service or Combined Credited Service in any year (measured December 1 to November 30 until November 30, 2000 and measured January 1 to December 31 beginning January 1, 2001 and each January 1 thereafter).
- F9.06 Eligibility for a Pro Rata Pension -- A Towboat Employee will be eligible for a Pro Rata Pension under Appendix F if he meets the following requirements:
- (1) He would be eligible for a normal, early or disability retirement Pension under this Appendix F were his Combined Credited Service treated as credits under this Appendix F.
  - (2) His Combined Service includes at least three years of Credited Service under this Appendix F. Failure to meet this requirement (2) will not prevent a Towboat Employee from receiving a Pension he is otherwise entitled to for reason of having sufficient Combined Credited Service from a Related Plan in which he has at least three years of credited service.
  - (3) He has earned at least one quarter of Credited Service under this Appendix F during the twelve month period following his last earned credited service under the Related Plan.
  - (4) He has notified the Trustees in writing of his Related Credited Service within six months after his effective date of coverage or date of return to this Appendix F, if he is transferring to this Appendix F, or within one year after his last covered hours of employment in this Appendix F, if he is transferred to a Related Plan. The foregoing notice requirements shall apply separately to each transfer between this Appendix F and a Related Plan.
- F9.07 Amount of Pro Rata Pension -- The amount of the Pro Rata Pension payable under this Appendix F is determined by multiplying the Credited Service earned under this Appendix F by the value of such Credited Service. The benefit amount so obtained is reduced in accordance with Section IV of this Appendix F for Towboat Employees who are qualified for a Pro Rata early or disability retirement Pension.
- F9.08 Payment -- Payment of a Pro Rata Pension shall be subject to all of the conditions applicable to the other types of Pension under this Appendix F.

**SECTION X – MISCELLANEOUS**

F10.01 The following provisions of the Regulations listed below are incorporated into this Appendix F solely for the purpose of applying to Towboat Employees as defined in this Appendix F. Nothing in this incorporation by reference shall imply or be construed to imply that Towboat Employees are by reason of any provision of this Appendix F entitled to any benefits, rights or features provided under ARTICLE II, ARTICLE III, ARTICLE V, ARTICLE VII, ARTICLE VIII, ARTICLE IX hereof.

ARTICLE VII	Distribution Rules
Section 10.06	Non Assignment of Benefits and Qualified Domestic Relations Orders



Section 10.08	Appeal Procedure
Section 10.12	Overpayments
Section 11.01	Maximum Benefit

**APPENDIX G**

**TOTAL PERCENTAGE REDUCTION TO RETIREMENT**

**BENEFIT FOR COVERAGE**

<u>Age</u>									
<u>Coverage</u>	<u>Age Coverage Ends</u>								
<u>Begins</u>	<u>51</u>	<u>52</u>	<u>53</u>	<u>54</u>	<u>55</u>	<u>56</u>	<u>57</u>	<u>58</u>	<u>59</u>
<b>50</b>	0.42%	0.89%	1.42%	2.00%	2.63%	3.33%	4.08%	4.90%	5.78%
<b>51</b>	-	0.47%	1.00%	1.58%	2.22%	2.92%	3.67%	4.49%	5.38%
<b>52</b>	-	-	0.53%	1.11%	1.75%	2.45%	3.21%	4.04%	4.93%
<b>53</b>	-	-	-	0.59%	1.23%	1.93%	2.70%	3.53%	4.42%
<b>54</b>	-	-	-	-	0.65%	1.36%	2.13%	2.96%	3.86%
<b>55</b>	-	-	-	-	-	0.71%	1.49%	2.33%	3.23%
<b>56</b>	-	-	-	-	-	-	0.78%	1.63%	2.54%
<b>57</b>	-	-	-	-	-	-	-	0.85%	1.77%
<b>58</b>	-	-	-	-	-	-	-	-	0.93%
<b>59</b>	-	-	-	-	-	-	-	-	-
<b>60</b>	-	-	-	-	-	-	-	-	-
<b>61</b>	-	-	-	-	-	-	-	-	-
<b>62</b>	-	-	-	-	-	-	-	-	-
<b>63</b>	-	-	-	-	-	-	-	-	-
<b>64</b>	-	-	-	-	-	-	-	-	-

<u>Age</u>						
<u>Coverage</u>	<u>Age Coverage Ends</u>					
<u>Begins</u>	<u>60</u>	<u>61</u>	<u>62</u>	<u>63</u>	<u>64</u>	<u>65</u>
<b>50</b>	6.72%	7.74%	8.84%	10.04%	11.34%	12.74%
<b>51</b>	6.33%	7.35%	8.45%	9.65%	10.96%	12.37%
<b>52</b>	5.88%	6.91%	8.02%	9.22%	10.53%	11.95%
<b>53</b>	5.38%	6.41%	7.53%	8.74%	10.06%	11.49%
<b>54</b>	4.82%	5.86%	6.98%	8.20%	9.53%	10.96%
<b>55</b>	4.20%	5.25%	6.38%	7.60%	8.94%	10.38%
<b>56</b>	3.52%	4.57%	5.70%	6.94%	8.28%	9.74%
<b>57</b>	2.76%	3.82%	4.96%	6.21%	7.56%	9.03%
<b>58</b>	1.92%	2.99%	4.15%	5.40%	6.77%	8.25%
<b>59</b>	1.00%	2.08%	3.25%	4.52%	5.90%	7.39%
<b>60</b>	-	1.09%	2.27%	3.55%	4.94%	6.45%
<b>61</b>	-	-	1.19%	2.49%	3.90%	5.42%
<b>62</b>	-	-	-	1.31%	2.74%	4.28%
<b>63</b>	-	-	-	-	1.44%	3.01%
<b>64</b>	-	-	-	-	-	1.59%

## APPENDIX H

### PROVISION AFFECTING STAFF PLAN PARTICIPANTS

#### SECTION I – DEFINITION OF TERMS

The following words and phrases as used in this Appendix H shall have the meanings set forth below only for purposes of this Appendix H. To the extent terms from ARTICLE I of the Regulations are used herein, their definitions are specifically incorporated by reference as stated in Section H1.12 below. The following words and phrases shall have the following meanings:

H1.01A Applicable 2012 Schedule H Effective Date. The term “Applicable 2012 Schedule H Effective Date” shall mean March 17, 2012.

H1.01 Common Controlled Entity. The term “Common Controlled Entity” shall mean any entity which must be considered with the Staff Plan Employer under Code Sections 414(b), (c), (m) or (o).

H1.02 Compensation.

- (a) Subject to subsection (b) below, the term “Compensation” shall mean the basic amount of salary or wages actually paid to the Staff Plan Employee for employment with a Staff Plan Employer, excluding overtime, bonuses, commissions and any other form of additional compensation.
- (b) Limit
  - (1) In determining the annual Compensation of a participant for purposes of the limitation under Code Section 401(a)(17), the rules of Code Section 414(q)(6) shall apply, except in applying such rules, the term “family” shall include only the spouse of the participant and any lineal descendants of the participant who have not attained age 19 before the close of the Plan Year. If, as a result of the application of such rules the adjusted annual compensation limitation is exceeded, then the limitation shall be prorated among the affected participants in proportion to each such participant’s compensation as determined under subsection (a) above prior to the application of this limitation. Effective January 1, 1997, the preceding rule regarding “family aggregation” shall no longer apply.
  - (2) Effective January 1, 2015, Pay in excess of \$265,000 per calendar year (or such different amount as may be determined under Code Section 401(a)(17) shall not be taken into account. Effective January 1, 2012, Pay in excess of \$250,000 per calendar year (or such different amount as may be determined under Code Section 401(a)(17) shall not be taken into account. For Plan Years beginning before January 1, 1994 and beginning after December 31, 2001, the annual Compensation of each Staff Plan Employee taken into account under this Appendix H shall not exceed \$200,000. This limitation shall be adjusted for cost of living increases at the same time and manner as under Code Section 415(d), except that the dollar increase in effect on January 1 of any calendar year is effective for Plan Years beginning in such calendar year.
  - (3) Limit from 1994 thru 2001
    - (A) For Plan Years beginning on or after January 1, 1994 and prior to January 1, 2002, the annual Compensation of each Staff Plan Participant taken into account under this Appendix H shall not exceed the OBRA 1993 annual compensation limit. The OBRA 1993 annual compensation limit is \$150,000, adjusted for cost of living increases under Code Section 401(a)(17)(B), and subject to the fresh start provisions set forth in subparagraph (B) below. The cost of living adjustment in effect for a calendar year applies to any period not exceeding 12

months over which Compensation is determined (the determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. If Compensation for any prior determination period is taken into account in determining a Staff Plan Participant's Accrued Benefit in the current Plan Year, the Compensation for that prior determination period is subject to the OBRA 1993 annual compensation limit for that prior determination period. For this purpose, for determination periods beginning before January 1, 1994, the OBRA 1993 annual compensation limit is \$150,000.

- (B) This subsection (b)(3)(B) applies to determine the accrued benefit of a Section 401(a)(17) Staff Plan Employee. A "Section 401(a)(17) Staff Plan Employee" is any Staff Plan Employee on or after January 1, 1994 whose annual Compensation for any Plan Year before 1994 exceeded \$150,000. The accrued benefit of a Section 401(a)(17) Staff Plan Employee shall be the greater of (i) or (ii) below:
  - (i) The Staff Plan Employee's accrued benefit on December 31, 1993, determined as though the Staff Plan Employee terminated service with the Staff Plan Employer on such date, without regard to any Plan amendments after such date and taking into account annual Compensation up to the applicable Code Section 401(a)(17) limitation for each Plan Year before January 1994; or
  - (ii) Such Staff Plan Employee's accrued benefit (determined without regard to clause (i) above).

The accrued benefit of any Staff Plan Participant shall not by virtue of this subsection (b) be less than the accrued benefit such Staff Plan Participant had as of December 31, 1998, determined without regard to this subsection (b)(3)(B).

H1.03 Hour of Service. The term "Hour of Service" shall mean the sum of (a), (b), (c) and (d):

- (a) General
  - (1) Each hour for which a Staff Plan Employee is paid, or entitled to payment for the performance of duties for the Staff Plan Employer during the applicable computation period.
  - (2) For Staff Plan Employees for whom the Staff Plan Employer does not maintain records of hours worked, subsection (1) above shall be applied as follows:
    - (A) in the case of Staff Plan Employees who are paid weekly or bi weekly, Hours of Service shall be determined on the basis of 45 hours per week;
    - (B) in the case of Staff Plan Employees who are paid semimonthly, Hours of Service shall be determined on the basis of 95 hours per semi-monthly period; and
    - (C) in the case of Staff Plan Employees who are paid monthly, Hours of Service shall be determined on the basis of 190 hours per month.
- (b) Each hour for which a Staff Plan Employee is paid, or entitled to payment, by a Staff Plan Employer on account of a period of time during which no duties are performed (irrespective of

whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, or leave of absence.

- (c) To the extent required by law, each hour for which a Staff Plan Employee is paid, or entitled to payment, by the Staff Plan Employer on account of a period of time during which no duties are performed due to military duty and any other periods in which a Staff Plan Employee was not paid or entitled to payment and would presumably have performed services for the Staff Plan Employer but for the fact that such individual was on a military leave of absence for service in the armed forces of the United States of America, provided the individual entered such service directly from the employ of the Staff Plan Employer, was discharged from such service and was reemployed by the Staff Plan Employer within the period during which his employment rights as a veteran are protected by law.
- (d) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Staff Plan Employer. The same hours shall not be credited both under subsection (a), (b) or (c) above, as the case may be, and under this subsection (d).
- (e) Hours of Service shall not include any period during which the Staff Plan Employee was employed by a predecessor of the Staff Plan Employer, unless the predecessor organization maintained this Appendix H or the Staff Plan.
- (f) Hours of Service shall not include hours for which a Staff Plan Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed if such payment is made or due solely for the purpose of complying with applicable workers compensation, unemployment compensation, or disability insurance laws.

Hours of Service under subsections (a), (c) and (d) above shall be determined from the Staff Plan Employer records. Hours of Service under subsections (b) and (f) above shall be determined in accordance with DOL Regulations at 29 C.F.R. §2530.200b-2. Hours of Service shall be credited to the appropriate computation period in accordance with DOL Regulations at 29 C.F.R. §2530.200b-2(c).

H1.04 Normal Retirement Age. The term “Normal Retirement Age” shall mean the later of the date a Staff Plan Participant attains age 65 or the fifth anniversary of the date a participant commenced Participation under the Staff Plan or this Appendix H.

H1.05 Normal Retirement Date. The term “Normal Retirement Date” shall mean the first day of the month coincident with or next following the date on which a Staff Plan Participant attains Normal Retirement Age.

H1.06 One Year Break In Service

- (a) The term “One Year Break In Service” shall mean a Plan Year during which a Staff Plan Employee does not complete more than 500 Hours of Service, taking into account employment with all Staff Plan Employers and Common Controlled Entities.
- (b) Solely to determine whether a One Year Break In Service has occurred, a Staff Plan Employee who is absent from work for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such Staff Plan Employee but for such absence, or in any case in which Hours of Service cannot be determined, eight Hours of Service per day of such absence. In no event shall the number of Hours of Service credited to a Staff Plan Employee under the preceding sentence exceed 501. For purposes of this definition, an absence from work for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the Staff Plan Employee, (2) by reason of the birth of a child of the Staff Plan Employee, (3) by reason of the placement of a child with the Staff Plan Employee in connection with the adoption of such child by the Staff Plan Employee, or (4) for purposes of caring for such child for a period

beginning immediately following such birth or placement. The Hours of Service credited under this subsection (b) shall be credited in the Plan Year in which the absence begins if the crediting is necessary to prevent a One Year Break In Service in that Plan Year, or in all other cases in the next following Plan Year. The Trustees may request the Staff Plan Employee to provide satisfactory evidence that the absence was caused by one of the purposes listed above. If in the judgment of the Trustees such evidence is not supplied, no Hours of Service shall be credited under this subsection (b).

H1.07 Year of Vesting Service

- (a) Every Staff Plan Employee shall have his or her Vesting Service determined under the Staff Plan as of December 31, 2002.
- (b) For purposes of eligibility to participate in this Appendix H and vesting on and after January 1, 2003, the term "Year of Vesting Service" shall mean any Plan Year in which a Staff Plan Employee completed 1,000 Hours of Service. (Service for benefit accrual purposes is determined under the definition of Years of Credited Service.)
- (c) Computation Period
  - (1) For purposes of eligibility to participate in this Appendix H, the computation period shall be the twelve-month period commencing on the date the Staff Plan Employee completes his first Hour of Service. If a Staff Plan Employee fails to earn a Year of Vesting Service during such initial twelve-month period, the twelve-month period for determining the Year of Vesting Service shall be based on the Plan Year starting with the Plan Year in which occurs the first anniversary of the date he completed his first Hour of Service.
  - (2) For vesting purposes, the computation period shall be the Plan Year.
- (d) Year of Vesting Service excludes any Years of Vesting Service earned prior to five consecutive One Year Breaks In Service, if the five consecutive One Year Breaks In Service occurred before the Staff Plan Employee completed sufficient Years of Vesting Service to be vested.
- (e) For purposes of determining Years of Vesting Service, all Staff Plan Employers shall be treated as a single Staff Plan Employer and all service with any Common Controlled Entity shall be taken into account.

H1.08 Staff Plan Employee means any person employed by a Staff Plan Employer who is neither accruing benefits nor receiving a Pension from the MEBA Pension Trust in accordance with ARTICLE II, ARTICLE III, ARTICLE V, ARTICLE VII, ARTICLE VIII, ARTICLE IX hereof.

H1.09 Staff Plan Employer means District No. 1-PCD, MEBA and any other affiliated organization which with the consent of the Trustees is required to make contributions to provide for the benefits for its employees under this Appendix H pursuant to a participation agreement.

H1.10 Staff Plan Participant means any Staff Plan Employee for whom a transfer of assets and liabilities was made to the MEBA Pension Plan as of the Effective Date and every Staff Plan Employee who subsequent to that date satisfies the eligibility requirements under this Appendix H and for whom contributions to the MEBA Pension Trust are required to be made under an applicable participation agreement.

H1.11 Effective Date means December 31, 2002.

H1.12 Incorporation by Reference. The following terms as defined in ARTICLE I are hereby incorporated by reference in this Appendix H and shall have the same meaning in interpreting the provisions of Appendix H:

Beneficiary  
Code  
ERISA  
Effective Date of Pension  
MEBA Pension Trust  
Pension  
Pensioner  
Plan Office  
Plan Year  
Regulations and Plan  
Trust Agreement  
Trustees  
Union

## **SECTION II - PARTICIPATION AND CREDITED SERVICE**

H2.01 Eligibility. Any Staff Plan Employee on December 31, 2002 for whom assets and liabilities were transferred to this Plan, shall become a Staff Plan Participant under this Appendix H on January 1, 2003, subject to the provisions of this Appendix H. Any Staff Plan Employee not described in the preceding sentence shall automatically become a Staff Plan Participant as of the first day of the month coinciding with or next following the completion of a Year of Vesting Service.

H2.02 Participation. Each person who becomes a Staff Plan Participant shall remain a Staff Plan Participant so long as he remains a Staff Plan Employee, or is entitled to future benefits under this Appendix H. In the event a Staff Plan Employee ceases to be a Staff Plan Participant due to his termination of Staff Plan Employee status and is later reemployed, he shall once again become a Staff Plan Participant upon his reemployment or his reclassification as a Staff Plan Employee, unless he was not vested upon his termination of employment and incurs five consecutive One Year Breaks In Service, in which case he shall be treated as a new Staff Plan Employee and will commence Participation only after he again meets the requirements of Section H2.01.

H2.03 Military Service. Effective December 12, 1994, Staff Plan Employees will receive contribution, benefits and service credit for qualified military service in accordance with Code Section 414(u).

H2.04 Credited Service For Period Before January 1, 2003. A Staff Plan Participant shall be entitled to the Years of Credited Service (credit for service prior to January 1, 2003) under the terms of the Staff Plan as in effect on December 31, 2002. No duplication of Credited Service shall occur by reason of the adoption of this Appendix H.

H2.05 Credited Service For Periods After December 31, 2002. Effective January 1, 2003, a Staff Plan Participant shall receive one Year of Credited Service for each Plan Year in which he completes 1,000 Hours of Service. If a Staff Plan Participant does not complete 1,000 Hours of Service as a Staff Plan Participant under this Appendix H during a Plan Year, but (a) was otherwise a participant in the MEBA Pension Trust for part of such Plan Year, (b) ceased such other Participation in the MEBA Pension Trust and began Participation under this Appendix H in such Plan Year, and (c) worked on a full-time basis for the same Staff Plan Employer for the entire Plan Year, the Staff Plan Participant will be granted that part of a Year of Service Credit under this Appendix H which, when added to the Pension Credit granted by the MEBA Pension Trust for that Plan Year, results in a total of one Year of Credited Service.

H2.06 Vesting. A Staff Plan Participant shall have a vested and nonforfeitable right to a Pension upon the earlier of: (1) the date he completes five Years of Vesting Services; or (2) the date he attains Normal Retirement Age.

H2.07 Amount of Pension-Article II-A. For purposes of determining the amount of Article II-A Pension, the following provisions are incorporated in this Appendix H by reference, subject to modifications (a) through (j) below:

Incorporated Provisions

- Definition Sections 1.14(c); 1.25; and 1.34;
- Regular Pension Sections 2A.02(a), 2A.02(b), 2A.02(c), 2A.02(d);
- Other Pension Sections 2.02; 2.03; 2.04(a); 2.04(b); 2.04(c); 2.04(e); and 2.06;
- Distribution Form Sections 6.01, 6.02, 6.03, 6.04(a), 6.04(b), and 6.04(d).

Modifications

- (a) The term “Pay” shall be replaced by the term “Final Average Compensation” which shall mean the average monthly Compensation of the Staff Plan Employee during the period of any five consecutive calendar years within the 10 consecutive calendar years ending on the date through which the benefit is determined that produces the highest Pension, based on the Years or Credited Service earned up through such date. With respect to the Section 2A.02(d) Schedule of Pension Benefits, the term “Final Average Compensation” (which replaced the term “Pay”) shall instead mean the average monthly Compensation of the Staff Plan Employee for any three consecutive calendar years that produces the highest Pension with no cost of living adjustment;
- (b) “Employee” shall be changed to “Staff Plan Participant”;
- (c) Section 2A.02(a) is replaced by the following: “(a) A Staff Plan Participant may Retire on a Regular Pension if:
  - (1) The Staff Plan Participant became a Staff Plan Employee prior to January 1, 1995 (disregarding any commencements of employment which precede five consecutive One Year Breaks In Service), and has at least 20 Years of Credited Service, regardless of age, or
  - (2) The Staff Plan Participant became a Staff Plan Employee on or after January 1, 1995, has at least 20 Years of Credited Service, and has attained age 55 as of his Effective Date of Pension.”
- (d) “four or more quarters of Pension Credit” shall be changed to “at least one Year of Credited Service”;
- (e) “one day of Covered Employment” in Sections 2A.02(b), 2A.02(d) and 2.02(b) shall be changed to “at least one Hour of Service”;
- (f) “Pension Credit” shall be changed to “Years of Credited Service”;
- (g) Section 1.14(c) shall read as follows: “(c) Disability exists when a Staff Plan Participant has at least six Years of Credited Service and has ceased working due to a permanent and total disability which is evidenced by receipt of a Social Security Disability award that established a benefit commencement date within one year of the day the Staff Plan Employee last worked.”;
- (h) Section 2.04(c) shall read as follows: “(c) In no event shall a Disability Pension be payable for any period for which the Staff Plan Participant receives disability benefits under any other Staff Plan Employer provided disability plan.”;



- (i) Section 1.34 shall read as follows: “To Retire (or be Retired or in Retirement), a Staff Plan Participant must completely terminate employment with all Staff Plan Employers and complete the taking of earned vacation”;
- (j) No Staff Plan Participant shall be entitled to a Lump Sum Distribution under Section 6.04 as incorporated herein unless he shall also have attained age 55.

H2.07A Amount of Pension-Article II-B. For purposes of determining the amount of Article II-B Pension, the following provisions are incorporated in this Appendix H by reference, subject to modifications (a) through (i) below:

Incorporated Provisions

- Definition Sections 1.14(c); 1.25; and 1.34;
- Other Pension Sections 2.02; 2.03; 2.04(a); 2.04(b); 2.04(c); 2.04(e); and 2.06;
- Regular Pension Sections 2B.01, and 2B.02;
- Distribution Form Sections 6.01, 6.02, 6.03, 6.04(a), 6.04(b), and 6.04(d).

Modifications

- (a) with respect to amounts earned on or after January 1, 2012, the term “Pay” shall be replaced by the term “Final Average Compensation” which shall mean 90.9% of the average monthly Compensation of the Staff Plan Employee during the period of any ten consecutive calendar years ending on the date through which the benefit is determined that produces the highest Pension, based on the Years of Credited Service earned up through such date. Notwithstanding the preceding, effective January 1, 2018, “Final Average Compensation” will be determined as in the immediately preceding sentence, but using any five consecutive calendar years starting on or after January 1, 2012 and ending on the date through which the benefit is determined that produces the highest Pension, based on the Years of Credited Service earned up through such date. With respect to the Section 2A.02 (d) Schedule of Pension Benefits, the term “Final Average Compensation” shall also mean, with respect to amounts earned on or after January 1, 2012, 90.9% of the average monthly Compensation of the Staff Plan Employee for any ten consecutive calendar years that produces the highest Pension with no cost of living adjustment. Notwithstanding the preceding, effective January 1, 2018, with respect to the Section 2A.02(d) Schedule of Pension Benefits, “Final Average Compensation” will be determined as in the immediately preceding sentence, but using any five consecutive calendar years starting on or after January 1, 2012 and ending on the date through which the benefit is determined that produces the highest Pension, based on the Years of Credited Service earned through such date, with no cost of living adjustment. For purposes of determining a Staff Plan Employee’s Compensation for 2012, the full amount of average monthly compensation which such Employee earned prior to the Applicable 2012 Schedule H Effective Date will be taken into account. See Example 2 under Section 2B.01(c)(2);
- (b) “Employee” shall be changed to “Staff Plan Participant”;
- (c) “four or more quarters of Pension Credit” shall be changed to “at least one Year of Credited Service”;
- (d) “one day of Covered Employment” shall be changed to “at least one Hour of Service”;
- (e) “Pension Credit” shall be changed to “Years of Credited Service”;
- (f) Section 1.14(c) shall read as follows: “(c) Disability exists when a Staff Plan Participant has at least six Years of Credited Service and has ceased working due to a permanent and total disability

which is evidenced by receipt of a Social Security Disability award that established a benefit commencement date within one year of the day the Staff Plan Employee last worked.”;

- (g) Section 2.04(c) shall read as follows: “(c) In no event shall a Disability Pension be payable for any period for which the Staff Plan Participant receives disability benefits under any other Staff Plan Employer provided disability plan.”;
- (h) Section 1.34 shall read as follows: “To Retire (or be Retired or in Retirement), a Staff Plan Participant must completely terminate employment with all Staff Plan Employers and complete the taking of earned vacation.”;
- (i) No Staff Plan Participant shall be entitled to a Lump Sum Distribution under Section 6.04 as incorporated herein unless he shall also have attained age 55.

#### H2.08 Continuation and Forfeiture of Years of Credited Service

- (a) With respect to periods of One Year Breaks in Service that occurred prior to January 1, 1985, a nonvested Staff Plan Participant who incurs a period of consecutive One Year Breaks in Service that equals or exceeds the Years of Vesting Service earned prior to such period shall forfeit the Years of Vesting Service and Years of Credited Service earned prior to such period.
- (b) With respect to periods of One Year Breaks in Service that begin on or after January 1, 1985, and with respect to periods of One Year Breaks in Service beginning before 1985 that as of December 31, 1984 are not long enough to permit forfeiture of pre-1985 Years of Service under subsection (a) above, a nonvested Staff Plan Participant who incurs a period of consecutive One Year Breaks in Service that equals or exceeds five shall forfeit the Years of Vesting Service and the Years of Credited Service earned prior to such period.

#### H2.09 Reemployment of Retired Participants

- (a) If a Staff Plan Participant is reemployed as a Staff Plan Employee without the permission of the Trustees after benefits under this Appendix H have commenced, his benefit payments shall be suspended until his subsequent termination of employment (or the end of the additional six-month suspension, if applicable) or until the time required by ARTICLE VII as incorporated herein. Future benefits payable to such Staff Plan Participant shall be redetermined upon his subsequent termination of employment in accordance with the Plan provisions then in effect and actuarially reduced to reflect the value of benefit payments made prior to his reemployment. In no event, however, shall the monthly retirement benefit determined under this subsection (a) be less than the benefit the Staff Plan Participant was receiving prior to his reemployment.
- (b) Other
  - (1) If a Staff Plan Participant is reemployed as a Staff Plan Employee without the permission of the Trustees after benefits under this Appendix H have commenced but before reaching Normal Retirement Age, his benefit payments shall be immediately suspended for any calendar month during which the Participant was so employed and, for six additional months, to the extent not prohibited by ERISA Section 203(a)(3)(B) and any related DOL regulations; provided however, that under extenuating circumstances and at the discretion of the Trustees, such additional six-month suspension of payment may be waived. For any month after a reemployed Staff Plan Participant reaches his Normal Retirement Age, no payment shall be suspended for any month under subsection (a) above unless: (i) the Staff Plan Participant is reemployed for forty (40) hours or more in the month; and (ii) the Trustees notify the Staff Plan Participant of the suspension by personal delivery or first class mail during the first calendar month or payroll period in which payments are suspended. Such notification shall contain a description of the

specific reasons why benefit payments are being suspended, a description of the Plan provisions relating to the suspension of payments, a copy of such provisions, a statement to the effect that applicable DOL Regulations may be found in DOL Reg. §2530.203-3, and a description of the Plan's procedures for review of the suspension.

- (2) In the event that benefits are suspended under subsection (a) above, they shall resume no later than the first day of the third calendar month following the month in which the Staff Plan Participant again terminates employment (or the end of the additional six-month suspension, if applicable). Benefits payable after the resumption shall be calculated as if the Staff Plan Participant were then first retiring, and shall be based on his Years of Credited Service at that time. For purposes of this benefit calculation, the period of time used in determining the Staff Plan Participant's Final Average Compensation shall, anything to the contrary notwithstanding, be computed as if the reemployment period were continuous with the period of time immediately preceding his earlier retirement and as if the interim absence had not occurred, provided that in no case shall the Staff Plan Participant's monthly retirement benefit payable after the resumption be less than the amount the Staff Plan Participant was entitled to receive before reemployment.
- (3) If any benefits that should have been suspended under subsection (a) above are in fact paid, the amount of such benefits shall be deducted from amounts subsequently payable to the Staff Plan Participant after the resumption of benefits, provided that this deduction shall not exceed 25% of the amount otherwise payable during any month other than the initial month of resumption.
- (4) If a reemployed Staff Plan Participant's benefit payments (whether or not suspended) previously commenced prior to his Normal Retirement Age, then regardless of when he was reemployed, the method of payment for any additional benefits he may accrue shall be subject to the election and consent procedures of Section 6.01(b) as incorporated herein. If a reemployed Staff Plan Participant's benefit payments previously commenced on or after his Normal Retirement Age, any additional benefits he may accrue shall be paid under the method of payment previously elected and in effect.
- (5) If a retired Staff Plan Participant is reemployed in any month as a Staff Plan Employee and has failed to give timely notice to the Plan of such employment, the Trustees shall presume that he worked for at least forty (40) hours in such month and any subsequent month before the Staff Plan Participant gives notice that he has ceased the employment. The Staff Plan Participant shall have the right to overcome such presumption by establishing that his work was not in fact an appropriate basis, under the Plan, for suspension of his benefits. The Trustees shall inform all Staff Plan Participants who have commenced benefits at least once every 12 months of the presumption set forth in this subsection (b)(5).
- (6) A Staff Plan Participant whose benefits under this Appendix H have commenced may become reemployed as a Staff Plan Employee without being subject to the penalties set forth in this Section H2.09 and without being deemed to be in engaged in Prohibited Employment as defined by Section 1.33 if:
  - (A) a Plan Office or facility, as defined by Section 1.31, requires additional personnel to operate, and a Staff Plan Participant who has commenced benefits is the best candidate available for the Staff Plan Employee position;
  - (B) the Administrator determines in writing that the conditions in paragraph (A) above are satisfied and requests that the Staff Plan Participant return to work as a Staff Plan Employee;
  - (C) the Staff Plan Participant notifies the Trustees in writing; and

- (D) the Staff Plan Participant receives the permission of the Trustees to return to work as a Staff Plan Employee.

H2.10 No Duplication of Benefits. Staff Plan Participants are entitled to benefits under this Appendix H. Nothing in this Section II shall permit a Staff Plan Participant to duplicate benefits for any period under any circumstances.

### **SECTION III - DISTRIBUTIONS AND PROCEDURES**

H3.01 ARTICLE VII and ARTICLE X through ARTICLE XIII are hereby incorporated in this Appendix H by reference, subject to the following modifications:

- (a) reference to “Employee” and “participant” shall be deemed to be references to “Staff Plan Employee” and “Staff Plan participant” respectively;
- (b) A new subsection (d) at Section 10.06 shall be added to read as follows: “Effective August 5, 1997, notwithstanding any provision in this Appendix H to the contrary, amounts held for the benefit of a Staff Plan Participant may be offset, as permitted under the provisions of ERISA Section 206 or under the provisions of Code Section 401(a)(13)”;
- (c) Section 1.36 shall delete the third sentence thereof and insert the following in its place: “Section 415 compensation in excess of \$200,000 per year (as adjusted by the Secretary of Treasury) shall not be taken into account and effective January 1, 1998, shall include salary reductions under Code Section 401(k) and Code Section 125”;
- (d) ARTICLE XIII shall apply separately under this Appendix H to each Staff Plan Employer (except Staff Plan Employers that are Common Controlled Entities).

### **SECTION IV - BENEFITS PAYABLE TO BENEFICIARIES**

H4.01 Benefits payable to beneficiaries shall be determined under ARTICLE VIII, Sections 8.01 through 8.06 which are hereby incorporated herein by reference, subject to the following modifications:

- (a) The word “Employee” in Sections 8.03 and 8.04 shall be changed to “Staff Plan Participant”;
- (b) “Covered Employment” shall be changed to “employment with all Employers”;
- (c) the second and third sentences of Section 8.03(a)(2) shall be deleted;
- (d) in Sections 8.03(b) and 8.03(c) the phrase “on or after his earliest retirement age, as defined in subsection (a)” shall be inserted after the word “dies” in the first line of Sections 8.03(b) and 8.03(c);
- (e) adding at the end of the second sentence “had his Effective Date of Pension been his date of death” and deleting the final sentence of Section 8.04;
- (f) in Sections 8.02(c) and 8.03(c), the term “dependent parent” shall mean parent(s) principally dependent on the Staff Plan Participant for support and claimed as dependent(s) on the Staff Plan Participant’s federal income tax return.

### **SECTION V - RECIPROCITY**

H5.01 Reciprocity

- (a) Any Years of Vesting Service recognized under the reciprocity provisions of the Staff Plan as of December 31, 2002 shall be recognized under this Appendix H.
- (b) Nothing contained in this Section H5.01 shall allow duplicate Vesting Service or Credited Service for any period of service.

**SECTION VI - COST OF LIVING ADJUSTMENTS**

H6.01 Cost of living adjustments shall be determined under ARTICLE V, Sections 5.01, 5.02, 5.03 and 5.04(a), which are hereby incorporated herein by reference, subject to the following modifications:

- (a) references to “four or more quarters of Pension Credit” or “Pension Credit” shall be changed to read “one Year of Credited Service”; and “no less than one quarter of Pension Credit” shall be changed to read “at least one year of Credited Service”; and
- (b) the parenthesis in Section 5.01 shall be changed to read “(the first 12-month period to be July 1, 1981 through June 30, 1982)”.

**APPENDIX I**

**FACTORS TO CONVERT LIFE ANNUITY TO JOINT & SURVIVOR AND POP-UP ANNUITY  
OPTIONS**

**APPENDIX J**

**APPLICABLE 2012 EFFECTIVE DATE**

**Employers with an Applicable 2012 Effective Date after January 19, 2012**

Alaris Companies, LLC	Interlake Steamship Company
Alaska Tanker Company, LLC	Keystone Shipping Co.
American Crewing Services	Keystone Ocean Services
Bailey Refrigeration Company	Lamont-Doherty Observatory
Black Ball Transport, Inc.	Maersk Line Limited
Boiler Pressure Vessels Insp. Agency	Marine Personnel & Provisioning
Brady Marine	Matson Navigation Company
Cargotec USA, Inc.	M-Ships
District No. 1-PCD, MEBA - Deep Sea Union Employees	MEBA Training Plan - Deep Sea School Employees
DMC Marine LLC	Norwegian Cruise Lines
Dynamic Concepts Corporation	Overseas Ship Management, Inc.
E-Ships, Inc.	Patriot Contract Services
G.O.A. Enterprises LLC	State of Alaska – Marine Highway System
Grand River Navigation	Universal Maritime Service Corp
Harbor Ferry Services	Woods Hole, Martha's Vineyard
Horizon Lines, LLC	

**Employers with an Applicable 2012 Effective Date after January 28, 2012**

Central Gulf Lines, Inc	Waterman Steamship Corp.
Sulphur Carriers, Inc.	

**Employers with an Applicable 2012 Effective Date after February 1, 2012**

Boston Marine Transport, Inc.
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**Employers with an Applicable 2012 Effective Date after February 8, 2012**

Liberty Maritime Corp.
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**Employers with an Applicable 2012 Effective Date after February 28, 2012**

Acme Repair	APL Marine Services, Ltd
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**APPENDIX K**

**MEBA INLAND PENSION PLAN FOR BENEFITS ACCRUED PRIOR TO JANUARY 1, 2003**  
**CONTACT THE PLAN OFFICE TO REQUEST A COPY OR VISIT THE MEBA BENEFIT PLANS**  
**WEBSITE FOR A COPY**



MEBA Inland  
Pension Plan A&R 20