

**SUMMARY PLAN DESCRIPTION**  
**FOR THE**  
**CLEVELAND LONGSHOREMEN'S**  
**PENSION FUND**

**Updated April 1, 2012**

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**QUESTIONS AND ANSWERS**

**GENERAL**

**1. Q. Who is covered by this Pension Plan?**

A. Each person who works for an employer under the terms and conditions of a collective bargaining agreement between the employer and the International Longshoremen’s Association, Local 1317, AFL-CIO (the “Union”) and for whom the employer is obligated to make contributions to this Pension Fund is covered under the Plan. Such an employee is considered to be working in **Covered Employment**.

**2. Q. When did this Plan become effective?**

A. The Plan became effective as of April 1, 1966.

**3. Q. Has the Plan been amended since that time?**

A. Yes, the Plan has been amended a number of times to make benefit improvements and other changes. In January 2010, the Plan was completely rewritten to comply with all the requirements imposed upon qualified retirement plan under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the Internal Revenue Code of 1986, as amended (the “Code”). The Plan was then filed by the Trustees with the Internal Revenue Service for a renewed favorable determination as to the continued tax qualification of the Plan in light of the changes made to the Plan.

This booklet describes the Plan as amended and restated. It does not describe benefits under the Plan for participants who terminated participation or retired prior to April 1, 2002. Benefits for such persons are based upon Plan provisions in effect in prior years.

**4. Q. Does this Plan cover members who retired or left the trade before April 1, 2002?**

A. The rights and benefits of former employees who retired or left the trade before April 1, 2002 are determined under the provisions of the Plan as it existed at the time the participant retired or left the trade.

**5. Q. What benefits does the Plan provide?**

A. The Plan provides the following benefits:

- Monthly income when you retire.
- Monthly disability income if you have earned a year of Credited Service in the Plan Year preceding the Plan Year in which the disability occurs and you are unable to work for at least six (6) months because of a non-occupational accident or sickness which happens while you are in Covered Employment.
- A deferred pension if you leave the trade before you qualify for retirement but after you have completed at least five (5) years of Eligibility Service in Covered Employment.
- In certain circumstances, a death benefit to your beneficiary in case you die either before or after retirement.
- In certain circumstances, monthly survivor income for your spouse in case you die before or after retirement.
- A funeral expense benefit when you die after retirement.

**YEARS OF ELIGIBILITY SERVICE**

**6. Q. How does my length of service affect my benefits?**

A. Your **Years of Eligibility Service** determine whether you are entitled to a retirement benefit if you should terminate employment before your Normal Retirement Date. (See Question 9) To determine your years of Eligibility Service at any time, add the following:

- A. For each Plan Year in which you have worked 800 or more hours in Covered Employment you will receive one (1) Year of Eligibility Service. For this purpose, hours worked includes hours credited to you while disabled, as explained later.
- B. For Plan Years after March 31, 1978 and before April 1, 2008, you will receive one-half year ( $\frac{1}{2}$ ) of Eligibility Service for each Plan Year in which you work between 400 and 799 hours in Covered Employment.
- C. For Plan Years beginning after March 31, 2008, you will receive one-half year ( $\frac{1}{2}$ ) of Eligibility Service for each Plan Year in which you work between 600 and 799 hours in Covered Employment.

The term **Plan Year** as defined under the Plan means the 12 month period beginning each year on April 1 and ending on March 31<sup>st</sup>.

**7. Q. What happens if I work less than 400 hours in a Plan Year before April 1, 2008 or less than 600 hours in a Plan Year beginning after March 31, 2008?**

- A. You will not receive any Eligibility Service credit for any Plan Year in which you do not work at least the minimum number of hours as required for such Plan Year as set forth above in Question 6. Thus, if you work less than 400 hours in any Plan Year before April 1, 2008 or less than 600 hours in any Plan Year beginning after March 31, 2008 you will not receive any Eligibility Service credit for such Plan Year. Further, the failure to work the minimum number of hours will result in a so-called "Break in Service."

**8. Q. What happens if I have a Break in Service?**

- A. If you incur a Break in Service, you will forfeit all benefits you have earned prior to your Break in Service unless:

A. At the time of your Break in Service you had completed at least 5 Years of Eligibility Service, in which case you will be entitled to the monthly benefit you had earned before your Break in Service in the form of a deferred retirement benefit beginning at Normal Retirement Age (See Question 9 regarding definition of Normal Retirement Age). This type of pension is generally referred to as a Deferred Vested Pension; or

B. You return to Covered Employment and work at least the minimum number of hours in a Plan Year before you have at least five (5) consecutive one year Breaks in Service, in which case the service and benefits you had earned before your Break in Service will be reinstated. If you do not come back to work and cure the Break in Service, you will experience a so-called Permanent Break in Service and the prior Years of Eligibility Service and benefits accrued under the Plan will be permanently forfeited.

As addressed above in Questions 6 and 7, the minimum number of hours needed to avoid a Break in Service is at least 400 with respect to any Plan Year before April 1, 2008, or at least 600 hours in any Plan Year beginning after March 31, 2008.

**Example:** Assume you were hired by a contributing employer on April 1, 2004, and worked the following hours during each Plan Year for this employer:

- April 1, 2004 through March 31, 2005 - 700
- April 1, 2005 through March 31, 2006 - 1150
- April 1, 2006 through March 31, 2007 - 1025
- April 1, 2007 through March 31, 2008 - 1100
- April 1, 2008 through March 31, 2009 - 450

In this scenario, you earned 3½ years of Eligibility Service as of the Plan Year ending March 31, 2008. You earned a ½ year of Eligibility Service for the first year of employment and then earned a full year of Eligibility Service for each of the next three years of employment. However, for the Plan Year ending March 31, 2009, you did not meet the minimum number of hours needed to earn any Eligibility Service (i.e. 600 hours) and, therefore, incurred a Break in Service.

In order to avoid forfeiting the 3½ years of the Eligibility Service you have accrued, you will need to return to Covered Employment within five years and work at least 600 hours in the Plan Year in which you return to Covered Employment. Therefore, if you return to Covered Employment within that time period and work at least 600 hours during the course of that Plan Year your prior service and benefits will be reinstated and the Break in Service will be disregarded by the Plan. .

## RETIREMENT DATES

### 9. Q. What is my Normal Retirement Date?

- A. Depending on the time period, it is either 62 or 65. Your **Normal Retirement Date** is considered to be the first day of any month after your 62<sup>nd</sup> birthday. Your **Normal Retirement Age**, for Plan purposes, is age 62. Notwithstanding the above, effective for Employees who commence participation in the Plan on or after May 18, 2005, the Normal Retirement Date shall mean the first day of the month coinciding with or immediately following the time the Participant reaches age 65 and, provided, further, that Normal Retirement Age is the date the Participant reaches age sixty-five (65).

### 10. Q. May I retire before my Normal Retirement Date?

- A. Yes. You may retire on your **Early Retirement Date** which is the first day of any month after the later of your 55<sup>th</sup> birthday or completion of ten (10) years of Eligibility Service.

## RETIREMENT BENEFITS

The calculation of retirement benefits and the examples shown below are based on plan provisions which apply only to those participants who were active plan members on or after April 1, 2002.

Impact of the Pension Protection Act of 2006. In 2010 the Plan was certified to be a so-called “**Yellow Zone Plan**” for the Plan Year beginning April 1, 2010 pursuant to the provisions of the Pension Protection Act of 2006 (“PPA”), which means that the funding level of the Plan is considered to be in endangered status because of the overall funding percentage of the Plan, or an accumulated funding deficiency. Full details are set forth in the Funding Improvement Plan as adopted by the Trustees and which will be updated annually. You can request copies of the Funding Improvement Plan and any annual updates by contacting the Trust office. The

importance of this to you is that pursuant to the Funding Improvement Plan, your employer has adopted Alternative Schedule E which reduces the rate of future accruals by 50% for periods after August 1, 2011.

**11. Q. How much monthly income will I get if I retire at my Normal Retirement Date or later?**

**A.** Your total monthly income is made up of three parts, namely your Past Service Benefit, your Interim Service Benefit and your Future Service Benefit.

**(i) Past Service Benefit:** If you were initiated into Local 1317 before April 1, 1963, you will be entitled to a Past Service Benefit. The amount of your monthly Past Service Benefit depends on your years of Past Service. Your Past Service Benefit is determined from the following schedule:

<b>Years of Past Service</b>	<b>Monthly Past Service Benefit</b>
Less than 5 years	- 0 -
5 years but less than 10 years	\$ 68.02
10 years but less than 15 years	\$ 136.09
15 years but less than 20 years	\$ 204.10
20 years or more	\$ 272.12

**(ii) Interim Service Benefit:** For each Plan Year in which you worked 800 or more hours in Covered Employment during the period from April 1, 1963 to March 31, 1978, you will be entitled to an Interim Service Benefit in accordance with the following schedule:

<b>Hours Worked in Plan Year</b>	<b>Monthly Interim Service Benefit</b>
2,000 or more hours	\$58.96
1,800 hours but less than 2,000 hours	\$56.00
1,600 hours but less than 1,800 hours	\$53.07
1,400 hours but less than 1,600 hours	\$47.19
1,200 hours but less than 1,400 hours	\$41.28
1,000 hours but less than 1,200 hours	\$32.42
800 hours but less than 1,000 hours	\$29.46
Less than 800 hours	- 0 -

**(iii) Future Service Benefit:** For each Plan Year that begins on or after April 1, 1978 in which you work the required hours in Covered Employment, you will earn a benefit based on the hours you worked in Covered Employment, in accordance with the following schedules:

**Plan Years after March 31, 1978 and before April 1, 1989**

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,400 or more .....	\$51.27
1,200 to 1,399 .....	\$46.03
1,000 to 1,199 .....	\$41.08
800 to 999 .....	\$35.87
600 to 799 .....	\$26.80
400 to 599 .....	\$18.09
Less than 400 .....	-0-

**Plan Years after March 31, 1989 and before April 1, 1994**

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,400 or more .....	\$57.70
1,200 to 1,399 .....	\$51.81
1,000 to 1,199 .....	\$46.23
800 to 999 .....	\$40.32
600 to 799 .....	\$30.21
400 to 599 .....	\$20.32
0 to 399 .....	-0-

**Plan Years after March 31, 1994 and before April 1, 1996**

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,000 or more .....	\$52.37
800 to 999 .....	\$45.67
600 to 799 .....	\$34.17
400 to 599 .....	\$23.02
0 to 399 .....	-0-

**Plan Years after March 31, 1996 and before April 1, 1997**

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,000 or more .....	\$53.56
800 to 999 .....	\$46.72
600 to 799 .....	\$34.94
400 to 599 .....	\$23.53
0 to 399 .....	-0-



**Plan Years after March 31, 1997 and before April 1, 1998**

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,000 or more .....	\$58.22
800 to 999 .....	\$50.78
600 to 799 .....	\$37.99
400 to 599 .....	\$25.59
0 to 399 .....	-0-

**Plan Years after March 31, 1998 and before April 1, 1999**

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,000 or more .....	\$64.68
800 to 999 .....	\$56.41
600 to 799 .....	\$42.19
400 to 599 .....	\$28.44
0 to 399 .....	-0-

**Plan Years after March 31, 1999 and before April 1, 2000**

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,000 or more .....	\$67.20
800 to 999 .....	\$58.61
600 to 799 .....	\$43.84
400 to 599 .....	\$29.55
0 to 399 .....	-0-

**Plan Years after March 31, 2000 and before April 1, 2011**

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,000 or more .....	\$65.00
800 to 999 .....	\$56.69
600 to 799 .....	\$42.40
400 to 599 .....	\$28.58
0 to 399 .....	-0-

**Periods after March 31, 2011 and before August 1, 2011:**

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,000 or more .....	\$65.00
800 to 999 .....	\$56.69
600 to 799 .....	\$42.40
0 to 599 .....	-0-

**Periods after July 31, 2011:**

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,000 or more .....	\$32.50
800 to 999 .....	\$28.35
600 to 799 .....	\$21.20
0 to 599 .....	-0-

**12. Q. Can you show me an example of how my pension is calculated?**

- A. Assume that you have been working regularly in Covered Employment each year since April 1, 1970, and that you will continue working regularly until you reach Normal Retirement Age in March, 2011. Also assume that in each year from April 1, 1970 until your retirement you work 1,400 hours in Covered Employment. Finally, assume that the form of benefit you select does not result in a reduction of your gross benefit. Your monthly income at Normal Retirement Age is calculated as follows:

**Past Service Benefit:**

None..... \$ 0.00

**Interim Service Benefit:**

(April 1, 1970 to March 31, 1978) = 8 years @ \$47.19 ..... 377.52

**Future Service Benefit:**

(April 1, 1978 to March 31, 1989) = 11 years @ \$51.27 ..... 563.97

(April 1, 1989 to March 31, 1994) = 5 years @ \$57.70 ..... 288.50

(April 1, 1994 to March 31, 1996) = 2 years @ \$52.37 ..... 104.74

(April 1, 1996 to March 31, 1997) = 1 year @ \$53.56 ..... 53.56

(April 1, 1997 to March 31, 1998) = 1 year @ \$58.22 ..... 58.22

(April 1, 1998 to March 31, 1999) = 1 year @ \$64.68 ..... 64.68

(April 1, 1999 to March 31, 2000) = 1 year @ \$67.20 ..... 67.20

(April 1, 2000 to March 31, 2011) = 11 years @ \$65.00 ..... 715.00

**Total Monthly Income at Normal Retirement Age**  
 ..... **\$2,293.39.**

This monthly benefit of \$2,293.39 would be paid to you for your lifetime, in addition to any retirement benefit you may be entitled to receive from Social Security. If you are married for at least one (1) year at the time benefit payments commence, your monthly benefit will be paid in the form of a 50% Joint and Survivor Annuity benefit (also known as a Husband-and-Wife benefit)\* unless you elect (with the written consent of your spouse) another form of benefit as permitted under the Plan. Under the 50% Joint and Survivor Annuity, the monthly benefit amount of \$2,293.39 will be actuarially reduced so that a reduced monthly amount will be paid to you for your life and, upon your death, a benefit equal to 50% of the prior monthly benefit will be paid to your surviving spouse.

\* Effective as of April 1, 2008, you can also elect to have your benefit paid in the form of a 75% Qualified Optional Survivor Annuity (See Question 20 of this Booklet).

**13. Q. I have been informed that my employer amended the current collective bargaining agreement with the Union and adopted Alternative Schedule E as set forth under the Funding Improvement Plan that was put into place by the Pension Protection Act. What impact does the adoption of Alternative Schedule E have on my benefit?**

- A. Under Alternative Schedule E, your employer will make additional contributions to help fund the Plan; however, the adoption of this schedule also imposes a 50% reduction in the future service benefit accrual rate. Your future service benefit accrual rate was reduced effective for period on or after August 1, 2011.

Therefore, effective for accruals earned on or after August 1, 2011, the following table will apply to you:

<u>Hours Worked</u>	<u>Monthly Future Credited Service Benefit</u>
1,000 or more .....	\$32.50
800 to 999 .....	\$28.35
600 to 799 .....	\$21.20
0 to 599 .....	-0-

**NOTE:** Since the benefit accrual rate was changed in the middle of the 2011 Plan Year, the calculation of the accrual amount actually earned by a Participant for the 2011 Plan Year will be based on the greater amount as determined under the following formula:

- (i) The sum of the accrual based on the hours earned from April 1, 2011 through July 31, 2011 based on the accrual rates in effect prior to August 1, 2011, plus the accrual based on the total hours earned for the 2011 Plan Year, limited to a maximum of 1,000 hours for the

whole plan year, less the hours worked through July 31, 2011 based on the accrual rates effective August 1, 2011.

- (ii) The benefit accrual rate appropriate for the total hours worked for the entire 2011 Plan Year based on the accrual rates effective prior to August 1, 2011 multiplied by the ratio of hours worked prior to August 1, 2011 over the maximum hours recognized for benefit accrual purposes (i.e. limited to 1,000 hours) for the entire 2011 Plan Year plus the benefit level appropriate for the total hours earned for the entire year at the level effective August 1, 2011 multiplied by one less the aforementioned ratio.

**14. Q. Can you show me some examples of how my pension is calculated with respect to the benefit accrual changes made for the 2011 Plan Year?**

**Example 1:**

Assume the same facts as the Example set forth above in Question 12, but instead of retiring in March 2011 you do not reach Normal Retirement Age and retire until March 2012. During this final year (the 2011 Plan Year), you work a total of 1,200 hours with 480 hours worked prior to August 1, 2011 and 720 hours worked after that date. Before the reduction in the benefit accrual rate, you would have earned an accrual of \$65.00 for the 2011 Plan Year because you worked more than 1,000 hours during that year. However, since the reduction in the benefit accrual rate occurred in the middle of the 2011 Plan Year, your 2011 accrual will need to be split based on the hours worked before and after the decrease. Thus, the accrual that you earn for the 2011 Plan Year would be the greater of:

- A) \$0 for the period prior to August 1 (since hours are below 600 through August) + \$0 for the period after August 1 (since total hours, limited to 1,000 less the 480 worked prior to August 1 is less than 600) = \$0 or,
- B)  $\$65.00 \times (480/1000) + \$32.50 \times (1 - 480/1000) = \underline{\$48.10}$

Therefore, in this situation you will earn an accrual for the 2011 Plan Year of \$48.10 and your retirement benefit would increase from **\$2,293.39 to \$2,341.49**.

If you decided to work past March 2012, you will earn accruals based on the accrual rates effective August 1, 2011. Consequently, if you once again work 1,200 hours during the 2012 Plan Year (April 1, 2012 through March 31, 2013), you will earn an additional accrual for such plan year of \$32.50.

**Example 2:**

Assume the same facts as the Example set forth above in Question 12, but instead of retiring in March 2011 you don't reach Normal Retirement Age and retire until March 2012. During this final year (the 2011 Plan year), you work a total of 1,200 hours with 620 hours worked prior to August 1, 2011 and 580 hours worked after that date. Before the reduction in the benefit accrual

rate, you would have earned an accrual of \$65.00 because you worked more than 1,000 hours during the plan year. However, since the Amendment adopting the reduction in the benefit accrual rate occurred in the middle of the 2011 Plan Year (April 1, 2011 – March 31, 2012), your accrual will need to be split based on the hours worked before the decrease and after the decrease. Thus, the accrual that you will earn for the 2011 Plan Year would be the greater of;

A) \$42.40 for the period prior to August 1 (since hours are 620 through August) + \$0 for the period after August 1 (since total hours, limited to 1,000 less the 620 worked prior to August 1 is less than 600) = \$42.40  
or,

B)  $\$65.00 \times (620/1000) + \$32.50 \times (1 - 620/1000) = \underline{\$52.65}$

Therefore, in this situation you will earn an accrual for the 2011 plan year of \$52.65 and your monthly retirement benefit would increase from **\$2,293.39 to \$2,346.04**.

As addressed above in Example 1, if you decided to work past March 2012, you will earn accruals based on the accrual rates effective August 1, 2011. Consequently, if you once again work 1,200 hours during the 2012 Plan Year (April 1, 2012 through March 31, 2013), you will earn an additional accrual for such plan year of \$32.50.

This monthly benefit payable to you under either Example 1 or 2 is paid for your lifetime, in addition to any retirement benefit you may be entitled to receive from Social Security. If you are married for at least one year at the time benefit payments commence, your monthly benefit will be paid in the form of a 50% Joint and Survivor Annuity benefit (also known as a Husband-and-Wife benefit)\* unless you elect (with the written and notarized consent of your spouse) another form of benefit as permitted under the Plan. Under the 50% Joint and Survivor Annuity, the monthly benefit amount as listed under Example 1 or 2 will be actuarially reduce so that a reduced monthly amount will be paid to you for your life and, upon your death, a benefit equal to 50% of the prior monthly benefit will be paid to your surviving spouse.

\* Effective as of April 1, 2008, you can also elect to have your benefit paid in the form of a 75% Qualified Optional Survivor Annuity (See Question 20 of this Booklet).

#### **15. Q. What happens if I leave employment before my Normal Retirement Age?**

A. If you leave employment before your Normal Retirement Age, you have two choices as to when you can commence payment of your monthly retirement benefit. One of your options is to have your monthly retirement income begin at your Normal Retirement Date. The other option is to accept a smaller monthly retirement income but have it begin sometime after you terminate employment but before you reach your Normal Retirement Age. You will be eligible to receive your retirement benefits in the form of an Early Retirement Pension the later of when you reach age 55 or you complete at least 10 years of Eligibility Service.

If you elect to have the retirement benefits begin at your Normal Retirement Date., the amount will be the sum of the monthly pension benefits you have earned up to the date of your retirement, subject to reduction depending on the form of benefit you select.

If you elect to have your pension payments start before your Normal Retirement Date, the amount of your monthly Early Retirement Pension will be the amount that would have become payable at your Normal Retirement Date reduced by 4/10ths of 1% for each month by which the payment commencement date precedes the first day of the month after you would have reach your Normal Retirement Date.

**Example:** Assume the same facts as set forth in Question 12 above, except that you will not reach your Normal Retirement Date until March 2013, and that you decide to retire early as of April 1, 2010. Therefore, your Early Retirement Date is exactly three years (36 months) before your Normal Retirement Date. If you elect your income to begin at your Normal Retirement Date, the amount of your monthly retirement income will be \$2,293.39. (This is the actual dollar amount of the pension you had earned at the time of your early retirement.) If you elect to have your monthly retirement income begin on April 1, 2010, the deferred pension of \$2,293.39 will be reduced by 14.4% or \$330.25 (0.4% times 36 = 14.4% of \$2,293.39 is \$330.25). **In this situation, your monthly pension payable in the form of a Single Life Annuity will be \$1,963.14.**

## PAYMENT OF NORMAL OR EARLY RETIREMENT BENEFITS

### 16. Q. How long will my retirement benefits be paid to me?

- A. If you **are not married**, the Normal and Early Retirement Pension benefits described in Questions 11 through 15 are payable to you in monthly installments as long as you live. This is called a Single Life Annuity and it is the normal form of payment under the Plan for unmarried participants. Generally, if you **are married** at the time your retirement benefits commence, your benefits will be paid in the form of 50% Joint and Survivor Annuity benefit (also known as a “Husband-and-Wife Annuity benefit”); provided, however, you and your spouse can elect a different form of benefit as further discussed below in Question 17.

### 17. Q. Can I provide for monthly income to my surviving spouse or to a beneficiary if I die after retirement?

Yes you can. If you are married and were married to that same person for at least one (1) year immediately before the date you retire or die, your pension automatically will be paid in the form of a 50% Joint and Survivor Annuity unless both you and your spouse in a written statement specifically reject that form of payment; provided, however, that effective as of April 1, 2008 the Participant can waive the 50% Joint and Survivor Annuity benefit and elect payment of retirement benefits in the form of a 75% Qualified Optional Survivor Annuity.

When you apply for a retirement benefit under the Plan you will be given the full facts on how you and your spouse may reject the 50% Joint and Survivor Annuity benefit. If this form of pension is then properly rejected, the other options as provided under the Plan become available for payment if you satisfy the conditions for these benefits. Among the other payment options available under the Plan that require written spousal consent is a Single Life Annuity. Any rejection by your spouse must be set forth in writing and must indicate that your spouse understands the impact of waiving the 50% Joint and Survivor Annuity benefit. Your spouse's signature must also be witnessed by a Plan representative or a notary public.

Notwithstanding any other provision of the Plan, in the event the present value of any benefit payable does not exceed \$5,000 (\$1,000 effective as of March 28, 2005), the Plan shall automatically distribute the present value of such benefit in a single sum to the Participant or his beneficiary without the need to obtain Participant's consent. Effective as of March 28, 2005, if the present value of the benefit is at least \$1,000 but less than \$5,000, Participant's consent is needed prior to any distribution; however, spousal consent would not be required in this situation. Spousal consent to a distribution is only needed when the present value of the retirement benefit exceeds \$5,000.

**18. Q. What exactly is a 50% Joint and Survivor Annuity benefit?**

- A. Under this type of arrangement, the amount of the monthly benefit payable to you is reduced during your lifetime from what it would be if your pension was taken in the form of a Single Life Annuity that is payable only to you. In return for receiving a smaller monthly benefit under the 50% Joint and Survivor Annuity benefit, upon your death your surviving spouse will receive 50% of the benefit amount as paid to you during your life. This 50% amount will then be paid to your surviving spouse for his or her remaining life.

**To qualify for the surviving spouse's annuity benefits, your legal surviving spouse must have been married to you for at least one (1) year at the time of your death.**

**19 Q. What is the Joint and Survivor "Pop Up" Annuity Feature?**

The 50% Joint and Survivor Annuity includes a pop-up feature whereby if the Eligible Spouse should predecease the Participant, the Participant shall thereafter receive a monthly benefit for the remainder of his life which shall be equal to the full, unreduced monthly benefit he would have received under a Single Life Annuity. In other words, upon the death of the Eligible Spouse, the retirement benefit is increased to the amount that would be payable under a Single Life Annuity and will then be paid at this increased amount until the death of the Participant.

**20. Q. What is the 75% Qualified Optional Survivor Annuity Option?**

The 75% Qualified Optional Survivor Annuity is a payment form that was added to the Plan by the Trustees and is effective for any distributions made on or after April 1, 2008. The 75% Qualified Optional Survivor Annuity means that the Participant will receive a reduced monthly amount for life and, if the Participant dies before his Qualified Spouse, the Qualified Spouse will be entitled to receive 75% of the reduced lifetime amount that the retired Pensioner was receiving at the time of his death.

**21. Q. When I retire, will payments start automatically?**

- A. When you retire, your pension payments will not start automatically. You must make written application for your retirement benefits. If you retire early, you will be asked to decide whether you want payments to begin immediately or whether you prefer payments to start at a later date. When you apply for benefits, you also will be given sufficient information so that you can elect whether your benefits are to be paid in the normal form (i.e., the Single Life Annuity if you are unmarried or the 50% Joint and Survivor Annuity benefit if you are married) or under one of the optional payment methods as described under Questions 19 and 20.

**DISABILITY INCOME**

**22. Q. Does the Plan provide income during disability?**

- A. If you become disabled at any time before your Normal Retirement Date (which is age 62 if you were a participant in the Plan prior to May 18, 2005 and age 65 if you began participation after that date), you may qualify for a disability income of \$650 per month. This income would begin after you have been disabled for at least six months (but not before you have applied for disability income) and would continue until you recover, but not beyond your Normal Retirement Date. If you are still disabled at your Normal Retirement Date, you will begin to receive normal retirement benefit payments equal to the monthly normal retirement benefit you had earned at the time your disability began.

Several conditions must be met to qualify for a disability benefit:

- A. You must be receiving disability income under Social Security; and
- B. Your disability must be the result of a non-occupational, accidental injury or sickness which happened on or after April 1, 1978 and while you were in Covered Employment; and
- C. Your disability must have continued for at least six months; and
- D. You must have worked at least 800 hours in the Plan Year preceding the Plan Year in which your disability started. If your disability prevented you from working at least



800 hours, you will be given credit for 100 hours for each full month of absence because of your disability. This credit will be counted toward the 800 hours worked requirement.

Even if you meet all the above conditions, you will not be entitled to disability income if your disability resulted from an injury or sickness for which you were not treated by a doctor, or resulted from committing a felony or engaging in an illegal occupation, or resulted from an intentionally self-inflicted injury, or resulted from an injury or sickness due to war, or was the result of a riot or civil commotion. The final decision regarding your eligibility for a disability benefit shall be made by the Trustees.

**23. Q. What happens if I recover from disability and then become disabled again?**

- A. When you recover from disability, your disability benefit payments stop. If you become disabled again within three months, it will be treated as the same disability and disability payments will begin immediately. If you become disabled again more than three months after your recovery, you must satisfy all the requirements listed under Question 22 before payments can begin again.

**24. Q. Is there a special provision for mental or emotional disorders?**

- A. Yes, if your disability is the result of a mental or emotional disorder, benefits will be payable for up to two years, whether or not you are institutionalized. If your disability continues for more than two years, benefits will be paid only if you are hospitalized or confined to a qualified institution. If your confinement lasts at least 14 days, disability benefits will continue to be paid for a maximum of 90 days after you are released or discharged from the institution and during which time you remain disabled.

**25. Q. Are there any death benefits if I die while disabled before my Normal Retirement Date ?**

- A. See Question 28.

### **DEATH BENEFITS**

**26. Q. What happens if I die *before* retirement?**

- A. It will depend on whether you are single or married at the time of your death.

**Single Participants.** In the event of your death while working in Covered Employment or if you have left Covered Employment but have Deferred Vested Pension and you are unmarried at the time of your death (or were married to your spouse for less than 12 months at the time of your death), your designated beneficiary will receive a **lump sum death benefit** equal to all the contributions made for you by contributing employers,

except those contributions made for you in years in which you did not earn any Credited Service.

**Married Participants.** If you have been married for a period of at least one-year at the time of your death, your Surviving Spouse automatically is considered to be your designated beneficiary, unless you have designated someone else to be your beneficiary and your spouse has consented to such designation. In order to designate someone other than your spouse as your beneficiary, your spouse must agree to your beneficiary designation in writing; and your spouse's signature must be witnessed by a Plan representative or a notary public.

If you die while in Covered Employment but after you have qualified for an early retirement benefit, your Surviving Spouse will be entitled to a **spouse's benefit** payable to her for life in an amount equal to  $\frac{1}{2}$  of the benefit you would have been entitled to receive if you had retired on the day before your death (assuming, for purposes of this Question 26 only, that the day before your death was your Early Retirement Date) and provided you had not previously rejected the monthly 50% Joint and Survivor Annuity benefit.

If you die before qualifying for an early retirement benefit but after attaining five (5) or more years of Eligibility Service, your Surviving Spouse, to whom you have been married for at least one year, will also be entitled to the spouse's benefit described above. However, payment of that benefit will begin on the first day of the month following the month in which you would have been eligible for early retirement.

The spouse's benefit is payable in lieu of (and not in addition to) the lump sum refund of Employer contributions as described above that is available to Single Participants. However, a Surviving Spouse may elect to receive the lump sum refund of Employer contributions instead of the monthly spouse's benefit, provided she makes her election in writing and the election is witnessed by a Plan representative or notary public.

**27. Q. What death benefit is payable if I die *after* I have retired?**

- A. If you die after you have commenced receipt of either a Normal, Early or Deferred Vested Pension, one of the following death benefits are payable:
- (i) If you are receiving your pension in the form of a Single Life Annuity and the total amount of pension payments you have received before your death is less than the aggregate contributions made for you by the contributing employers (excluding contributions for years in which you earned no Eligibility Service), the difference will be paid in a lump sum to your designated beneficiary; or
  - (ii) If you were receiving, or had not rejected, the 50% Joint and Survivor Annuity, your surviving spouse will begin to receive a monthly lifetime pension equal to 50% of the pension you were receiving (or would have been entitled to receive)

while you were alive, provided you had been married to your spouse for at least one year prior to your death; or

- (iii) If you were receiving the 75% Qualified Optional Survivor Annuity, your surviving spouse will begin to receive a monthly lifetime pension equal to 75% of the pension you were receiving while you were alive, provided you had been married to your spouse for at least one year prior to your death; or

Note: The above post-retirement death benefits do not apply to a person who is receiving a Disability Pension. The death benefits available to a person receiving a Disability Pension are set forth below in Question 28

**28. Q. What happens if I die while receiving a Disability Pension?**

**A.** The death benefit payable upon your death will depend upon whether you were married or unmarried for the one (1) year period prior to the date your Disability Pension began:

(i) Unmarried/Single. If you are single or had not been continuously married for the one year period prior to the date your Disability Pension began, your designated beneficiary will be entitled to a lump sum death benefit equal to all contributions made on your behalf by your contributing employers (except those contributions made for years in which you earned no Eligibility Service), reduced by the total of all disability payments received by you.

(ii) Married. If you had been continuously married for the one year period prior to the date your Disability Pension began, your surviving spouse (to whom you were married at the time you became disabled) would be entitled to one of the following:

- The lump sum death benefit described above in (i); or
- A lifetime annuity equal to 50% of the early retirement benefit you would have been entitled to receive if you had retired on the **later of** the day of your death or the day on which you would have turned age 55, and if you had not rejected the 50% joint and survivor benefit. This monthly income will start on the first day of the month following the **later of** the day of your death or the day on which you would have turned 55.

**29. Q. Besides the death benefit described above does the Plan provide any other benefits upon my death?**

- A. If you are receiving a Normal, Early, Deferred Vested or Disability Pension at the time of your death, your surviving spouse or designated beneficiary will be entitled to receive funeral expense benefit of \$4,000.

**30. Q. How do I designate my beneficiary?**

- A. To designate a beneficiary, you must complete a "designation of beneficiary" form. If you have not already done this, do it immediately and turn it in to the Fund Office. On this form you must name the person (or persons) who is (or are) to receive any death benefit that may become payable in case you die after you have a vested right to receive a retirement benefit from the Plan. You should note, however, that, if you are married, your spouse will automatically be considered to be your beneficiary unless you specifically provide otherwise. If you are married and want to name a beneficiary other than your spouse, your spouse must approve your beneficiary designation in writing and your spouse's signature must be witnessed by a Plan representative or notary public. Without such spousal consent your spouse is your beneficiary and any attempt to designate someone else as your beneficiary will be disregarded by the Plan.

You may change your designation of beneficiary at any time by completing a new form. Death benefit payments will be made in accordance with the designation that bears the most recent date. If no "designation of beneficiary" form is on file for you when you die, and you are not married, the death benefit will be paid to your estate.

### **ROLLOVER OF CERTAIN RETIREMENT BENEFITS**

**31. Q. If I receive a lump sum payment from the Pension Plan, can I elect to roll it over into another retirement plan?**

- A. In general, the answer is yes, but certain rules apply. First of all, an eligible Rollover Distribution is any distribution from this Pension Plan directly into another "eligible retirement plan" of all or any portion of the balance of your pension benefit as long as such distribution is greater than \$200. In general, an eligible retirement plan can be an individual retirement account (IRA), an individual retirement annuity as described in the Internal Revenue Code, an annuity plan, or a qualified trust that accepts rollovers. In addition, effective for distributions received on or after January 1, 2003, an eligible retirement plan shall also include: (i) a Code Section 403(b) arrangement; and (ii) a Code Section 457 retirement plan that is maintained by a state or political subdivision of a state which agrees to separately account for any rollover amounts transferred into such plan. Further, effective as of January 1, 2008, an eligible retirement plan shall also include a Roth IRA as established under Code Section 408A; provided, however, that for tax years beginning before January 1, 2010, you cannot make a direct rollover contribution to a Roth IRA if, in the year the eligible rollover distribution is made, your modified adjusted

gross income exceeds \$100,000 or you are married and file a separate return. These limitations on rollovers to Roth IRAs do not apply for any rollovers that occur on or after January 1, 2010.

**32. Q. What payments can't be rolled over?**

- A. Non-taxable payments cannot be rolled over. Also, you cannot roll over payments that are part of a series of equal (or almost equal) payments that are made at least once a year and will last your lifetime, or your lifetime and your beneficiary's lifetime, or a period of ten (10) years or more. And, beginning when you reach age 70½, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

**33. Q. Is there a tax advantage by using the rollover option?**

- A. That depends on each individual case. If you choose a direct rollover, your payment will not be taxed in the current year and no income tax will be withheld. Your payment will be taxed later, when you take it out of the IRA or other eligible retirement plan. However, if you do not elect a rollover, the Trust is required to withhold twenty (20) percent of the payment for federal income taxes. This withholding may not increase your taxes, but will be credited against any income tax you owe. Your payment would be taxed in the current year. Even then, you can still rollover the remaining eighty (80) percent, but you must do so within sixty (60) days of when you receive payment, and you will still be taxed on the other 20% that was withheld. Also, certain additional taxes may be imposed if you receive a payment when you are under age 59½. We encourage you to consult a qualified tax adviser if you have any questions on rollovers.

**34. Q. Can my designated beneficiary elect to roll over any Death Benefits paid under the Plan into another retirement plan?**

- A. Yes, however prior to January 1, 2007, only a surviving spouse or an alternate payee under a Qualified Domestic Relations Order could elect a rollover of a lump sum death benefit into an eligible retirement plan and non-spouse beneficiaries, such as a child or sibling, were not permitted to rollover any death benefits received under the Plan. The federal law preventing non-spouse beneficiaries from making rollover contributions to an eligible retirement plan was eliminated in 2010. Therefore, now, any designated beneficiary you select can elect to rollover any lump sum death benefit payable under the Plan into an eligible retirement plan (see above discussion on what is an eligible retirement plan).

## **TERMINATION OF PLAN PARTICIPATION**

### **35. Q. Under what circumstances will my participation in the Plan terminate?**

- A. Your participation in the Plan will be considered terminated if any of the following occurs:
  - A. You leave Covered Employment; or
  - B. No contributions are made for you by a contributing employer during two consecutive Plan Years; or
  - C. You have a Break in Service, as described in Question 8.

### **36. Q. What happens when my Plan participation is terminated?**

- A. If you have less than five (5) years of Eligibility Service at the time your Plan participation is terminated you will forfeit all rights to benefits, subject only to possible reinstatement in case of re-employment as described in paragraph B of Question 8.

If you have at least five (5) years of Eligibility Service at the time your Plan participation is terminated, you are considered vested and you will be entitled to a Deferred Vested Pension. This means that you have nonforfeitable right to a monthly benefit beginning at your Normal Retirement Age equal to normal retirement benefit you had earned at the time of your termination of Plan participation.

## **RE-EMPLOYMENT AFTER RETIREMENT OR AFTER TERMINATION OF PLAN PARTICIPATION**

### **37. Q. What happens if I return to work after I retire?**

- A. If you have retired and then return to work in disqualifying employment, your monthly pension payments will stop. If you are under your Normal Retirement Age, disqualifying employment is any work for either: (i) a Contributing Employer, (ii) any company doing the same work as a Contributing Employer; or (iii) self-employment in a job within the Longshoremens industry and in the geographic area covered by the Plan.

After you reach your Normal Retirement Age, you must work or receive pay for at least 40 hours in a month for it to be considered disqualifying employment; further, the work must be in the Longshoremens industry, in a trade or craft in which you worked under the Plan, and in the geographic area of the Plan. Notwithstanding the foregoing, your

benefits will not be suspended beginning on April 1 of the calendar year following the year you turn 70-1/2 unless you elect to defer your benefits until you quit work and retire.

When you retire again, your pension will be recomputed to include any additional service credits you earned during re-employment and your retirement benefit payments will begin again under the same method of payment that was applicable before your re-employment. If you initially had retired on an Early Retirement Date, the re-calculation of your pension will reflect an actuarial reduction for early retirement benefits you had previously received.

**38. Q. What happens if I return to work after termination of Plan participation?**

- A. If you return to work after a termination of Plan participation, any benefits that were forfeited upon your termination of Plan participation will remain forfeited unless they are subject to reinstatement, as explained in paragraph B of Question 8. Starting with your date of reemployment, you will begin to earn service credits, as explained in Question 11. When you subsequently terminate your employment or retire, your benefit will consist of the service credits you earned during reemployment plus any service credits that were not forfeited as the result of your prior termination of Plan participation.

**OTHER IMPORTANT POINTS**

**39. Q. What about Social Security benefits?**

- A. Social Security Benefits are in addition to the benefits provided for you by the Plan.

**40. Q. Under what circumstances can I lose Plan benefits?**

- A. Although you may intend to continue in Covered Employment until retirement, there may be a time when your personal situation will prevent you from carrying out your intentions. Therefore, you should be aware of the following circumstances that could cause you to lose or forfeit all, or a part of, your benefits under this Plan:
  - A. **Break in Service.** If you have not earned a vested (i.e., nonforfeitable) benefit at the time you have a Break In Service (see Question 8) you will lose all rights to any benefits, unless you are subsequently reemployed by a contributing employer and your benefits are reinstated under the conditions described in paragraph B of Question 8.
  - B. **Death.** If you die while in Covered Employment and before you have earned five (5) years of Eligibility Service, no benefits will be paid except the refund of employer contributions made on your behalf that will be paid to your spouse or designated beneficiary. If you die after retirement and have rejected the 50% Joint and Survivor benefit, or have elected a method of payment that does not provide for the continuation of payments after your death, the only benefits available to your

beneficiary will be the \$4,000 funeral expense benefit and the excess, if any, of the employer contributions made on your behalf over the aggregate retirement payments you had received while you were alive.

- C. **Reemployment after actual retirement.** Although you will not lose any Plan benefits if you return to work in Covered Employment after your pension payments have begun, you should note that your pension payments will stop during your period of reemployment if such work constitutes disqualifying employment as described in Question 37; provided, however, that no suspension of benefits will apply regarding any type of employment if you have reached your required beginning date (i.e. April 1 of the calendar year following the year you turn 70-1/2).

**41. Q. Do I get any Special Consideration for Military Service?**

- A. Your right to reemployment and the treatment of your pension benefits upon reemployment in Covered Employment after a military leave are as set forth in the federal law known as the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”) and regulations issued thereunder. Moreover under the provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008 (“HEART Act”), effective as of January 1, 2007, if you die while performing qualified military service, your survivors are entitled to any additional benefits (other than benefit accruals relating to the qualified military service) that would be provided had you returned from military leave, resumed employment and then terminated employment on account of death. For purposes of determining such death benefits, Eligibility Service for vesting purposes only will be provided for the period of your qualified military service prior to your death.

**42. Q. What if I have other questions?**

- A. If you have other questions about the Plan, contact the Fund Office or any member of the Board of Trustees.



## ADMINISTRATION AND FINANCING

### 43. Q. How is the Plan administered?

- A. The Plan is administered by a Board of Trustees made up of two Employer representatives and two Union representatives. The Board, also known as the Plan Administrator, can alter the terms and conditions for receipt of Plan benefits and makes all decisions regarding questions, interpretations and application of Plan provisions.

Currently, the four individuals who serve on the **Board of Trustees** are:

#### **Union Trustees**

Sean Baker  
Local 1317 ILA  
700 Erieside Avenue  
Cleveland, Ohio 44114

John D. Baker, Jr.  
Local 1317 ILA  
700 Erieside Avenue  
Cleveland, Ohio 44114

#### **Employer Trustees**

Keith Flagg  
Federal Marine Terminals, Inc.  
775 Erieside Avenue  
Cleveland, Ohio 44114

Joseph McJunkin  
Federal Marine Terminals, Inc.  
775 Erieside Avenue  
Cleveland, Ohio 44114

### 44. Q. How is the Plan financed?

- A. Each of the Contributing Employers contributes an amount specified in the Collective Bargaining Agreement it has with Local 1317 to the Plan's Pension Fund. The custodial bank that holds the assets of the Pension Fund is Fifth Third Bank. When benefits become payable to or on behalf of a participant, the Board of Trustees causes the benefits to be paid directly from the assets of the Pension Fund.

### 45. Q. Are Plan benefits insured?

- A. Your pension benefits under this multiemployer plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100% of the first \$11 of the monthly benefit accrual rate and (2) 75% of the next \$33

monthly payment per year of service. The PBGC's maximum guarantee limit is \$35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree with 30 years of service would be \$12,870.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law; (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (i) the date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, D.C. 20005-4026 or call PBGC toll-free at 1-800-400-7242. TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

**46. Q. May I appeal if my claim for benefits is denied?**

A. Yes. In general, our procedures are set forth below.

The Trustees have adopted these procedures in order to comply with the claims and appeals procedures set forth in Labor Regulation Section 2560.503-1, as such apply to pension plans. These provisions shall apply to all claims filed on or after January 1, 2002.

1. In the event your claim is initially denied, in whole or part, you will be advised of the following:
  - a. the specific reason or reasons for the adverse determination;
  - b. reference to specific Plan provisions on which the determination was based;
  - c. 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

- d. a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring civil action under ERISA Section 502(a) following an adverse benefit determination after completion of the review.

If you disagree with the denial, you or your duly authorized representative may:

- Request review by the Board of Trustees upon written application to the Plan;
- Review pertinent documents; and
- Submit issues and comments in writing.

***THE REQUEST FOR REVIEW MUST BE IN WRITING AND MADE WITHIN SIXTY (60) CALENDAR DAYS OF YOUR RECEIPT OF THE WRITTEN NOTIFICATION OF DENIAL (OR ONE HUNDRED EIGHTY (180) CALENDAR DAYS IN THE CASE OF A DENIAL RELATED TO A DISABILITY DETERMINATION).***

2. Review of an adverse benefit determination upon appeal will take into account all comments, documents, records and other information submitted by the claimant, regardless of whether the information was submitted or considered in the initial benefit determination.
3. The Plan will continue to review benefit determinations upon appeal at regularly scheduled meetings that take place at least quarterly, except if otherwise required by law. The Board shall make benefits determinations upon appeal at the meeting that immediately follows the Plan's receipt of a request for review, unless the request is filed within 30 days of the meeting. In such case, the Board may make a benefit determination upon appeal at the second meeting following the Plan's receipt of the request for review. The Plan Administrator shall notify the claimant of the benefit determination as soon as possible after the meeting, but not later than 5 days after the benefit determination is made.
4. Notification of an adverse benefit determination upon Review will contain:
  - a. the specific reason or reasons for the adverse determination;
  - b. reference to specific Plan provisions on which the determination is based;
  - c. 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; and
  - d. a statement of the claimant's right to bring civil action under ERISA Section 502(a) following an adverse benefit determination from the Review.

- e. the following statement: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency."
5. The Plan does not offer any voluntary appeal procedures and does not require a claimant to file more than one mandatory level of appeal prior to bringing a civil action under ERISA.
6. With respect to a disability determination, the Plan will insure that the decision regarding the entitlement to a distribution due to disability is based upon independent medical review which includes two separate determinations from different physicians, internal rules, guideline, protocol, or other similar criterion in determining disability, but may also rely upon a Social Security Administration award of disability. Review of a claim for disability benefits will not afford deference to the initial benefit determination.
8. The period of time within which a benefit determination is required to be made, for both disability benefits and other types of benefits under the Plan, will begin at the time the claim is filed in accordance with the reasonable procedures of the Plan, without regard to whether all information necessary to make a benefit determination accompanies the filing. If additional information is necessary to make a benefit determination, the period of time for making the benefit determination shall be tolled from the date the notification for additional information is requested until the claimant responds to the request for additional information. If you do not receive the decision within the time set forth herein, the claim shall be deemed denied on review.

The Plan gives the Board of Trustees full discretion and authority to make the final decision regarding all areas of Plan interpretation and administration, including: eligibility for benefits, the level of benefits provided, and interpretation of Plan language and administrative procedures.

The decision of the Board of Trustees is final and binding on all individuals dealing with or claiming benefits under the Plan, and if challenged in court, the Plan intends for the Board of Trustees' decision to be upheld, unless found by a court of competent jurisdiction to be arbitrary and capricious.

Please keep in mind that the claims and appeals procedures are subject to change in accordance with all legal requirements. The Plan will make available to you automatically and without charge a written summary of any material changes it may make to the claims and appeals procedures followed by the Plan.

**You must comply with these appeal procedures prior to instituting legal action on a claim for benefits. Any legal action must be filed within ninety (90) calendar days following your receipt of the Board of Trustees' decision on review.**

**47. Q. Can anyone take my benefits away from me?**

- A. Generally, No.** Your benefits under the Plan (before they are paid to you) may not be sold, used as collateral for a loan, given away or transferred in any other way. Further, your creditors may not attach, garnish or otherwise interfere with your benefits (before they are paid to you), except to the extent specifically provided by, or consistent with, applicable Federal law.

However, an example of a situation where all, or a part, of your benefits could be attached would be a situation where a Court ordered the Plan Administrator to pay some or all of your benefits to your spouse, former spouse, child or dependent on account of a marital separation, divorce or child support obligation. Before this could happen, however, the terms of the court order would have to be presented to the Plan Administrator for review and the order would have to contain specific legally required information. (This type of order is known as a Qualified Domestic Relations Order and the person in whose behalf benefits are attached is called an Alternate Payee.) The Plan Administrator will determine if a court order is a Qualified Domestic Relations Order. If a court order is “qualified”, payments to the Alternate Payee could begin as soon as you are eligible for early retirement (even if you continue working).

**48. Q. Can the terms of the Plan be changed?**

- A.** Yes, the terms of the Plan can be changed and the Board of Trustees has full discretionary authority to amend the Plan at any time and such decisions shall be final and binding unless found by a court of competent jurisdiction to be arbitrary and capricious. However, the Plan will never change in any way that will affect your right to benefits you already have earned. If the terms of the Plan are changed, the changes only will affect your rights to future benefits under the Plan.

**49. Q. Can the Plan be terminated?**

- A.** Although it is not the intention of the contributing employers or the Union to terminate the Plan, if the Plan ever is terminated, or if there is a partial termination affecting you, you immediately will become 100% vested in any benefit you earned under the Plan as of the termination date. Pension Fund assets would be used to provide accrued benefits to retirees, beneficiaries and active participants, up to the total amount of assets in the Fund. All distributions would be made according to law. If, after all obligations of the Plan had been satisfied, there would be assets remaining in the Pension Fund, those assets would be distributed to all participants, retirees and beneficiaries on a pro rata basis.

## **50. Q. What are my rights under ERISA?**

- A. As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

### **Receive Information About Your Plan and Benefits**

Examination, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5000 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration..

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5000 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

### **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

### **Enforce Your Rights**

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relative to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### **Assistance with Your Questions**

If you have any questions about your Plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

#### **51. Q. What else should I know about the Plan?**

- A. Here is some information about the Plan and about the people who have assumed responsibility for the Plan's operation.

The **Plan Administrator** is the Board of Trustees. The Board of Trustees may be contacted at the following address:

Board of Trustees  
Cleveland Longshoremen's Pension Fund  
c/o Compensation Programs of Ohio, Inc.  
33 Fitch Blvd.  
Austintown, OH 44515  
(330) 270-0453  
1-800-435-2388

The **Plan Sponsor** is the Cleveland Longshoremen's Pension Fund. The Plan Sponsor may be contacted at the Plan Administrator's address.

The **Employer Identification Number** assigned to the Plan Sponsor is 34-6582620.

The **Plan Number** assigned to the Plan is 001.

The recordkeeping period for the Plan begins each April 1 and ends on the following March 31. This is referred to as the **Plan Year**.

Certain administrative and recordkeeping functions have been delegated by the Board of Trustees to an administrator. This administrator can be contacted at the same address and telephone number listed above for the Board of Trustees.

The **agent for service of legal process** is Compensation Programs of Ohio, Inc. who has been employed to assist in the administration of the Plan. The address of Compensation Programs of Ohio, Inc. is 33 Fitch Blvd., Austintown, OH 44515. Accordingly, if legal disputes involving the Plan arise, any legal documents may be served upon the Board of Trustees at this address, or upon any Trustee or the Plan Administrator.

The plan is a defined benefit pension plan maintained pursuant to a collective bargaining agreement between the contributing employers and the Union which provides for contributions into the Pension Fund, as well as any extension or extensions or renewal or renewals of any collective bargaining agreement or any new collective bargaining agreement which provides for contributions into the Pension Fund. The contribution is actuarially determined. A complete list of the names, addresses and employer identification numbers of the contributing employers, as well as the collective bargaining agreements, may be obtained and are available for examination by participants and beneficiaries in the offices of the Plan Administrator upon written request to the Plan Administrator.

Participants and beneficiaries can obtain from the Plan Administrator, without charge, a copy of the Plan's procedures governing qualified domestic relations orders.

Only the Board of Trustees is authorized to interpret the Plan. No employer or union, nor any representative of any employer or union, is authorized to interpret the Plan, nor does any such person act as an agent of the Board of Trustees. The Board of Trustees shall be the sole judge of the standard of proof required in any case. In the application and interpretation of any of the provisions of the Plan, decisions of the Board shall be final and binding on all parties or persons affected. Such decisions shall receive judicial deference to the extent they do not constitute an abuse of discretion.

***THE PRECEDING QUESTIONS AND ANSWERS ARE ONLY A BRIEF EXPLANATION OF THE PRINCIPAL PROVISIONS OF THE CLEVELAND LONGSHOREMEN'S PENSION PLAN. SHOULD THERE BE ANY DIFFERENCES BETWEEN THE INFORMATION PROVIDED IN THIS BOOKLET AND THE OFFICIAL PLAN DOCUMENTS, THE PLAN DOCUMENTS SHALL GOVERN.***