

# **Boston Shipping Association International Longshoremen's Association Pension Plan**

## **Summary Plan Description**

**2016**

### **FINANCIAL SECURITY DURING RETIREMENT**

We all want independence and security during retirement. Of course, this takes advance planning and preparation- and it's never too early to begin. As a Participant in the Boston Shipping Association- International Longshoremen's Association ("BSA-ILA") Pension Plan, you have a head start. The regular monthly benefit you may be eligible to receive from the BSA-ILA Pension Plan ("Plan") could be an important part of your retirement income.

### **TYPE OF PLAN**

The Plan has been established as a defined benefit plan. The Plan is maintained under the Collective Bargaining Agreements between the Boston Shipping Association, Inc. and the International Longshoremen's Association, AFL-CIO and its affiliated Locals. Copies of these Agreements may be obtained by Participants and their beneficiaries upon written request to the Plan Administrator, and are available for examination by Participants and their beneficiaries at the Fund Office.

Participants and their beneficiaries may, upon written request to the Plan Administrator (see page 2 of this Summary Plan Description, or "SPD"), obtain either a complete list of the employers sponsoring the Plan or information as to whether a particular employer is a Plan sponsor and, if the employer is a sponsor, the employer's address. This information is also available for examination by Participants and their beneficiaries.

Benefits under the Plan are insured through the Pension Benefit Guaranty Corporation under Title IV of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), in the event the Plan terminates. See pages 19-20 of this SPD for further information.

### **ABOUT THE PLAN**

The Plan was established on January 1, 1950, to provide retirement benefits for employees working under a Collective Bargaining Agreement between employer-members of the BSA and the ILA for the Port of Greater Boston and Vicinity. Over the years, the Plan has been changed and improved.

## **The Board of Trustees**

The Plan is administered by a *Board of Trustees* (also referred to in this SPD as "the Board" or "the Trustees") whose members are appointed in equal numbers by employer-members of the BSA and by the ILA. As *Plan Administrator*, the Board of Trustees has the authority to, among other things: decide questions of Plan operation; set Plan procedures; make determinations regarding benefit claims; obtain information from Unions, Participating Employers, Participants, and beneficiaries that the Trustees require in order to administer the Plan; rely on the information that Unions, Participating Employers, Participants, and beneficiaries provide them; and amend the terms of the Plan.

**Only the Trustees have the authority to make decisions for the Plan.** No local union officer, business agent, local union employee, employer or employer representative, Fund Office personnel, consultant, attorney, or other person is authorized to speak for or on behalf of the Trustees, or to commit the Trustees on any matter relating to the Plan, without the Trustees' express authorization.

For more information regarding the Board of Trustees, and the Trustees' obligations and duties under the Plan, see pages 14-16 and 18-19 of this SPD.

## **ABOUT THIS SPD**

This SPD has been designed to give you an idea of the benefits that are available under the Plan. The SPD has been prepared in compliance with the reporting and disclosure regulations under ERISA, and it summarizes the provisions of the Plan. However, in the event of any discrepancy between this SPD and the official Plan document, the Plan document will always govern.

Your Plan benefits are an important part of your total compensation package. Please read this entire SPD carefully. If you have any questions about your benefits, your ILA Pension Coordinator or Fund Office will be happy to answer them for you.

In the pages that follow, you will find information about these important features of your Pension Plan:

- Participation in the Plan and Contributions
- Years and Hours of Service
- Vesting
- When You May Retire and What You Will Receive
- How Your Pension Will Be Paid
- Disability Benefits
- What Social Security Adds
- Domestic Relations Orders

- Death Benefits before Retirement
- Termination of Employment and Break in Service
- Benefits Are Inalienable (i.e., Can't Be Given or Taken Away)
- Claim and Appeals Procedures
- Your ERISA Rights
- Some Additional Facts You Should Know About Your Pension Plan

## **PARTICIPATION IN THE PLAN AND CONTRIBUTIONS**

### **Participation**

A *Participant* in the Plan is an Employee who has met the minimum eligibility requirements.

Effective October 1, 2009, an *Employee* is any individual employed as (1) a Longshoreman, Clerk, or Linehandler in the industry who is a member of a bargaining unit represented by the ILA and for whom a Participating Employer is required to contribute to the Plan under the terms of a Collective Bargaining Agreement or Participation Agreement or (2) a Union Representative.

The term "*Participating Employer*" refers to an employer-member of the BSA who is obligated under the terms of a Collective Bargaining Agreement or Participation Agreement with the Union to contribute to the Plan, and, where applicable, the Board of Trustees and the Union.

For new Employees hired on or after October 1, 2009, an Employee becomes eligible to participate in the Plan after the Employee completes 400 or more Hours of Service in a Plan Year. For information about "Hours of Service," see pages 4-5 of this SPD. The *Plan Year* is the 12-month period that runs each October 1 through September 30.

If you were an Employee or Participant on or before September 30, 2009 you remain an Employee or Participant.

### **Contributions**

Participating Employers contribute monies to the Plan's Trust Fund in accordance with the terms of the applicable Collective Bargaining Agreement or Participation Agreement.

## **YEARS AND HOURS OF SERVICE**

Your years of service are an important factor in determining the amount of your pension. Since years of service are so important to you, you should know what they are all about.

To begin with, there are two types of years of service - Years of Service and Years of Vesting Service.



- A *Year of Service* earns a benefit which is payable to you when you qualify for retirement. To earn a *Year of Service* you must work at least 700 hours in the Plan Year.

- A *Year of Vesting Service* keeps you from incurring a Break in Service (see pages 12-13 of this SPD). To earn a *Year of Vesting Service* you must complete either (a) at least 400 Hours of Service in a Plan Year, or (b) if you have at least one Hour of Service on or after October 1, 1996, at least 1,000 Hours of Service in a Plan Year. You will receive credit for one Year of Vesting Service for each Plan Year in which you work the required number of hours. When you complete enough Years of Vesting Service, you will have a right to a benefit under the Plan. See "VESTING" at page 4 of this SPD for more information.

- A *Year of Vesting Service* will be considered a *Year of Service* and count toward the benefit payable to you when you retire if:

You have at least 25 *Years of Vesting Service*; and you have averaged 700 hours in each of the Plan Years in which you have performed an Hour of Service.

You may, subject to certain limitations, receive pro-rated credit toward your Years of Service and Years of Vesting Service during a period of temporary disability (see pages 8-9 of this SPD). The Plan does not otherwise credit partial Years of Service or Years of Vesting Service.

An *Hour of Service* is each hour for which you are directly or indirectly paid, or for which you are entitled to payment by a Participating Employer, for:

- the performance of duties as a Longshoreman, Clerk, Linehandler or Union Representative or
- for reasons other than for the performance of duties, such as vacation, holidays, sickness, disability, lay-off, jury duty, or leave of absence.

Except for hours credited as a result of temporary disability (see pages 8-9 of this SPD), the number of hours that may be credited to you for reasons other than the performance of duties as a Longshoreman, Clerk, Linehandler, or Union Representative will not exceed 40 hours in any Plan Year.

## **VESTING**

You will be eligible to receive a benefit from the Plan only when you are fully vested. You become fully vested in your benefits when you satisfy one of the following standards, as applicable:

For a Participant who has not performed an Hour of Service on or after October 1, 1996:	Complete ten Years of Vesting Service at 400 Hours of Service per year
For a Participant with at least one Hour of Service on or after October 1, 1996, but before October 1, 2009:	Complete ten Years of Vesting Service at 400 Hours of Service per year <b>OR</b> Complete four Years of Vesting Service at 1,000 Hours of Service per year
For a Participant who begins service on or after October 1, 2009 and who has at least one Hour of Service after that date:	Complete ten Years of Vesting Service at 400 Hours of Service per year <b>OR</b> Complete five Years of Vesting Service at 1,000 Hours of Service per year

You will also become fully vested in your benefits under the Plan upon attainment of your Normal Retirement Age (see page 5 of this SPD), or upon a Plan termination (see page 20 of this SPD).

## **WHEN YOU MAY RETIRE AND WHAT YOU WILL RECEIVE**

### **Normal Retirement**

You may retire on your *Normal Retirement Date* which is the first day of the month that falls on or follows the date you attain Normal Retirement Age. Under current Plan rules, *Normal Retirement Age* is the later of age 65 and the fifth anniversary of the date you began participating in the Plan (not counting any period of work that is disregarded due to a Break in Service, as described at page 13 of this SPD). For an individual who retired prior to October 1, 2009, "Normal Retirement Age" means the age specified in the Plan document in effect at the time that individual retired.

### **Early Retirement**

You may receive an early retirement benefit from the Plan after you reach *Early Retirement Age*, which the Plan defines as the later of the time you reach age 62 and the time you complete 25 Years of Service.

### **What You Will Receive**

If you retire upon attaining either your Normal Retirement Age or your Early Retirement Age, the amount of your monthly pension will be: the monthly benefit amount provided under the Plan (currently \$130.00) times your Years of Service, up to a maximum of 45 years.



This is also referred to as your *Accrued Benefit*. If, at the time you retire, you have vested in the Plan based on your Years of Vesting Service (see chart at page 5 above), your Accrued Benefit will be no less than \$455 per month.

If you attain your Normal Retirement Age and are eligible to begin receiving a pension benefit, but you continue to work and remain an Employee after your Normal Retirement Date, then commencement of your pension payments will be deferred until the first day of the month following the date on which you actually cease working. The monthly amount you will receive will be the amount you would have received if you had retired upon attaining your Normal Retirement Age, plus an amount equal to the Plan's monthly benefit amount (currently \$130.00) for each Year of Service credited to you following your Normal Retirement Date, up to the maximum of 45 years.

If you are eligible to receive a benefit, and unless you elect otherwise, payment of benefits will begin no later than 60 days after close of the Plan Year (October 1- September 30) in which the last of the following events occurs:

- (a) You attain the earlier of age 65 or Normal Retirement Age under the Plan;
- (b) The tenth anniversary of the year in which you commenced participation in the Plan; or
- (c) You terminate service with a Participating Employer.

However, notwithstanding any provision in this SPD or the Plan document to the contrary, your benefits under the Plan must be distributed to you, or begin to be distributed to you, no later than April 1st of the calendar year following the calendar year in which you attain age seventy and one-half (70 1/2 yrs.), even if you are still working or have elected to delay payment of your benefits.

## **HOW YOUR PENSION WILL BE PAID**

Your Pension will be paid to you for your lifetime.

### **For a Married Participant**

If you are married when you retire, and upon your death you have been married for one full year, and your spouse survives you, a pension will be paid to your spouse for your spouse's lifetime in an amount equal to 75% (or 50% if you retired before September 15, 1999) of the pension you were receiving.

### **Marriage After Retirement**

Should you marry after your retirement, provided that at the time of your death you have been married for one full year, your surviving spouse will receive a pension for your spouse's lifetime

in an amount equal to 75% (or 50% if you retired before September 15, 1999) of the pension you were receiving.

### **For a Single Participant**

Your pension will be paid for your lifetime with no further payments after your death.

### **DISABILITY BENEFITS**

Disability benefits are dependent upon whether your disability is either total and permanent or temporary.

#### **Total and Permanent Disability**

If you become totally and permanently disabled while you are engaged in Covered Employment, you may apply to the Board of Trustees for a disability pension.

To be eligible you must:

- Have completed 15 Years of Service at the time you became disabled.
- Demonstrate to the Board by submission of competent medical evidence on approved forms provided by the Trustees, that you are totally and permanently disabled from working in Covered Employment. Except as otherwise provided by ERISA, the Board of Trustees will be the sole judge of whether you are totally and permanently disabled. The Board of Trustees has authorized the Fund Administrator to make initial determinations on its behalf. Pursuant to the Plan's Claims and Appeals Procedures (see pages 14-16 of this SPD), any denial by the Fund Administrator may be appealed to the Board of Trustees.

If your total and permanent disability arises after you have already terminated Covered Employment, you are not eligible for a disability pension.

For purposes of determining whether you are eligible for a disability pension, working in *Covered Employment* means being actively employed by one or more of the Participating Employers.

Commencing the first day of the month after approval of your application you will receive a monthly disability pension equal to the monthly benefit amount provided under the Plan (currently \$130.00) times your Years of Service, up to a maximum of 45 years.

The disability pension benefit will be payable to you for your lifetime. If you have been married for at least one full year on the date that payment of your disability benefits begins, and your spouse survives you, your surviving spouse will receive a monthly pension equal to 75% (or 50% if you began receiving payment of your benefit before September 15, 1999) of the amount



you receive during your life. The pension benefit will be paid to your surviving spouse until your spouse dies or remarries.

### **Temporary Disability: Job Related**

In the event you incur a sickness or injury for which you are totally but temporarily disabled, and the sickness or injury arises out of and in the course of your employment, and you receive compensation benefits, you will receive pro-rated credit (based on 700 hours in a Plan Year) for both Years of Service and Years of Vesting Service for the time you are disabled. The maximum number of Years of Service that may be credited for any one disability is three (although if your disability exceeds three years, the Board may, in its sole discretion, decide to extend the credit beyond the three years).

### **Temporary Disability: Non-Job Related**

In the event you incur a sickness or injury for which you are totally but temporarily disabled, and the sickness or injury is not job related, you will receive pro-rated credit (based on 700 hours in a Plan Year) for both Years of Service and Years of Vesting Service for the time you are disabled.

To be eligible to receive this credit, you must be at least 45 years old and you must have completed 15 Years of Service as of the date you incur the temporary sickness or injury. The maximum number of Years of Service that may be credited for any one disability is three (although if your disability exceeds three years, the Board may, in its sole discretion, decide to extend the credit beyond the three years).

### **WHAT SOCIAL SECURITY ADDS**

As you know, your employer shares equally with you the cost of providing your Social Security benefit. The benefits you receive from the Plan are in addition to the benefit to which you may be eligible to receive under Social Security. You may be eligible to receive a benefit from Social Security upon attainment of Social Security's stated normal retirement age, and you may also be eligible to receive a reduced benefit from Social Security if you retire early in accordance with Social Security's rules.

In addition to retirement benefits, the Social Security Act also provides: benefits for disability; survivor benefits to widows, children or dependent parents; a lump sum death benefit; and Medicare. For more information, you should contact your local Social Security Administration office.

*REMEMBER- Social Security benefits are not automatically payable - you must apply for them.*



## DOMESTIC RELATIONS ORDERS

A domestic relations order is any:

- Judgment;
- Decree; or
- Order, including the approval of a property settlement agreement, that creates, assigns, or recognizes the right of an alternate payee (such as a spouse, former spouse, or dependent child) to receive all or a portion of your benefits under the Plan, and which is made pursuant to a state domestic relations law (including a community property law).

ERISA requires that the Plan recognize and pay benefits in accordance with *Qualified Domestic Relations Orders* (or "QDROs") that are issued after December 31, 1984.

To be "qualified," a domestic relations order *must* clearly specify:

- Your name and last known mailing address, and the name and mailing address of each alternate payee covered by the order;
- The amount or percentage of your benefits to be paid by the Plan to each alternate payee, or the manner in which the amount or percentage is to be determined;
- The number of payments or period to which the order applies; and
- The name of each plan to which the order applies.

A domestic relations order will *not* be "qualified" if:

- It requires the Plan to provide any type or form of benefit or any other option not otherwise provided under the Plan (including payment in the form of a joint and survivor annuity for the alternate payee and his or her new spouse); or
- It requires payment to an alternate payee of the same benefits that an earlier QDRO requires be paid to another alternate payee.

A QDRO *may* require payments for child or spousal support to be made to an alternate payee:

- Before you have separated from service but after you have reached "earliest retirement age," as the Internal Revenue Code defines that term at Section 414(p); and/or
- As if you had retired on the date those payments begin.

Once the Plan receives a domestic relations order, the Fund Administrator will:

- Promptly notify you and each alternate payee in writing that the Plan has received the order (this notice will include a copy of the order);
- Determine, within a reasonable time period after receiving the order, whether it is a QDRO; and
- Notify the appropriate individuals of such determination.

*The domestic relations order must be pre-approved by the Fund Administrator prior to the court's acceptance.*

To obtain, at no charge, further information concerning the Plan's QDRO Procedures, or if you have general questions about QDROs, please contact the Fund Office.

### **DEATH BENEFITS BEFORE RETIREMENT**

If you are not married on the date of your death, no death benefit will be paid from the Plan.

If you die before you have become vested in your benefit (see chart on page 5 of this SPD), no death benefit will be paid from the Plan.

If you have enough Years of Vesting Service to be eligible for a death benefit, and you are married on the date of your death, then you should know that there are three types of surviving spouse benefits available if you die while you are actively employed. Each of these benefits meets the legal requirements for what is called a "*Qualified Pre-Retirement Survivor Annuity*."

### **Death After Eligibility for Retirement**

If you die after you have attained your Normal Retirement Age and become vested in your benefit (see chart on page 5 of this SPD), but before you actually retire, and you have been married to your spouse for at least one full year at your date of death, your surviving spouse will receive a pension until your spouse dies. The amount of the pension will be 75% of the amount you would have received as a pension benefit had you retired the day before you died. For deaths occurring on or after September 15, 1998, the survivor pension will be no less than \$455 per month.

### **Death After 15 Years of Service**

If you die before your Normal Retirement Date but after you have completed 15 Years of Service, and you have been married to your spouse for at least one full year at the date of your death, your spouse will receive a pension benefit equal to 75% of your Accrued Benefit as of the date of your death. For deaths occurring on or after September 15, 1998, the survivor pension will be no less than \$455 per month.

This pension will begin to be paid to your spouse on the first day of the month following the date of your death and it will continue to be paid to your spouse until your spouse dies or remarries.

If your spouse remarries before the date that would have been your Normal Retirement Date, the death benefit your spouse was receiving will stop and payment will only resume on the date that would have been your Normal Retirement Date, provided, of course, that your spouse is alive on the date that would have been your Normal Retirement Date. If payment of the death benefit resumes as described, it will continue until your spouse dies.



### **Death After Vesting But Before 15 Years of Service**

If you die before you have completed 15 Years of Service, but after you have become vested in your benefit (see chart on page 5 of this SPD), and you have been married to your spouse for at least one full year at your date of death, your spouse will be eligible to receive a death benefit.

Your spouse will be eligible to begin receiving the death benefit upon the later of the first day of the month following the date of your death or the date that would have been your Normal Retirement Date. Your spouse will continue to receive the death benefit until your spouse dies. The death benefit your spouse receives will be equal to 75% of your Accrued Benefit. For deaths occurring on or after September 15, 1998, the survivor pension will be no less than \$455 per month.

### **Calculating the Death Benefit**

In all cases, the death benefit your spouse is eligible to receive will be calculated by the Plan's actuaries by applying the Plan's Qualified Pre-Retirement Survivor Annuity rules, determined as of the date on which payments commence, but based upon your actual Years of Service completed under the Plan multiplied by the benefit rate in effect on the date of your death. However, in no case will the benefit payable to the spouse of a Participant who dies on or after September 15, 1998 be less than \$455. For more information on this topic, please contact the Fund Office.

### **TERMINATION OF EMPLOYMENT AND BREAK IN SERVICE**

For Plan purposes, you will be considered terminated when you incur a *Break in Service*. A Break in Service will occur if for three consecutive Plan Years (October 1 through September 30) you are credited with less than 400 Hours of Service per Plan Year.

A Break in Service will not occur if you are credited with less than 400 Hours of Service for three consecutive plan years because of absence by reason of service in the armed forces of the United States, provided you are reemployed by a Participating Employer within four months after your discharge or release from your service in the armed forces of the United States. A Break in Service will also not occur if you are credited with less than 400 Hours of Service for three consecutive plan years because you are on a "maternity or paternity" leave of absence, as defined by the Plan document.

If you incur a Break in Service at a time when you are not yet vested in your benefit (see chart on page 5 of this SPD), you will not be entitled to receive any benefit under the Plan.

If you incur a Break in Service at any time after you have become vested in your benefit (see chart on page 5 of this SPD), you will be eligible to receive a deferred vested benefit. The monthly amount of the deferred vested benefit you will receive will be equal to your Accrued Benefit as of the date of your termination. Payment of your deferred vested benefit will begin on the first day of the month following the date of your 65th birthday.



If you have been credited with at least 25 Years of Service when you incur a Break in Service, you will be eligible to receive a deferred vested benefit. The monthly amount of the deferred vested benefit you will receive will be equal to your Accrued Benefit as of the date of your termination. Payment of your deferred vested benefit may begin as early as the first day of the month following the date of your 62nd birthday, provided you have completed 25 Years of Service.

### **Employment Following a Break in Service**

If you incur a Break in Service at a time when you are not yet vested and are later reemployed and you complete at least one Year of Vesting Service, your Years of Vesting Service completed prior to your Break in Service will be added together with any Years of Vesting Service you may earn after your re-employment, as long as the years of your Break in Service are less than the greater of: 1) five years or 2) the total Years of Vesting Service you had completed prior to incurring your Break in Service.

If the years of your Break in Service are greater than five years or the total Years of Vesting Service you had completed prior to incurring your Break in Service, then you will lose the Years of Service and Years of Vesting Service you had completed prior to incurring your Break in Service, and they will be disregarded in calculating your vested benefit. You will then be considered a new Participant.

If you become eligible to receive a deferred vested benefit following a Break in Service (as described above) and you are later re-employed, your Accrued Benefit and Years of Service completed prior to incurring your Break in Service will be reinstated as of the date you complete one Year of Vesting Service following your re-employment date. Your Years of Service completed prior to your Break in Service will be added together with your Years of Service completed after your re-employment in calculating your benefit.

### **Re-employment in the Industry**

If you retire and are receiving benefits under the Plan, and you are later re-employed by a Participating Employer, the benefit payment you are receiving or are eligible to receive will be suspended for each calendar month in which you perform 40 or more Hours of Service.

When you retire from your re-employment, you will receive a monthly benefit equal to the amount of the monthly benefit you received at the time of your "original" retirement, plus an amount equal to the number of Years of Service you have completed after your date of rehire multiplied by the monthly benefit amount provided in the Plan document for normal retirement (which, as of the date of this summary, is \$130.00).

## **MILITARY SERVICE**

### **Military Service**

If you enlist or are called to part or full time military service, generally for a period not to exceed five years, some provisions of the Uniformed Services Employment and Re-employment Rights Act of 1994 ("USERRA") may apply to you, if you return to covered employment and comply with other requirements of the law. You may be entitled to vesting credit and accrual rate increases for the period of time you have been in the service. If you know that you will be entering military service, you are encouraged to notify the Fund Office in advance, so that we may assist you in coordinating and protecting all of your benefits. If you have returned from military service, also notify the Fund Office. For additional information, please contact the Fund Office at (617) 242-3303 to discuss your benefits under this Plan.

### **Death While in Military Service**

If you die while in military service as defined in USERRA on or after January 1, 2007 you will be credited for Years of Vesting Service (but not Years of Service for purposes of Benefit Accrual) for the period of qualified military service.

## **BENEFITS ARE INALIENABLE (CAN'T BE GIVEN OR TAKEN AWAY)**

This Plan was established for your and your beneficiaries' benefit. In general, you may not pledge, sell or assign your interest in the Plan, and your creditors may not attach or garnish it. There are two exceptions to this general rule:

(1) Where a qualified domestic relations order (or "QDRO") is in place, the Board of Trustees may be required to use some or all of your benefit to pay court-ordered alimony, child support, or other payments to your spouse, ex-spouse, child, or other dependent (see pages 9-10 above for more information about QDROs). Please contact the Fund Office if you would like to receive, free of charge, information about the Plan's QDRO Procedures.

(2) Where a "Qualified Offset Order" is in place, the Board of Trustees may be required to *offset against your benefit some or all of an amount you are obligated to pay the Plan, either* because you were convicted of a crime involving the Plan or because you allegedly breached a fiduciary duty that you owed to the Plan as one of the people responsible for operating it.



## **CLAIMS AND APPEALS PROCEDURES**

### **Claims**

You (or your Beneficiary) must make all claims for benefits in writing to the Board of Trustees, BSA-ILA Pension Plan, c/o The Boston Shipping Association, Charlestown Navy Yard, 197 8th Street, Suite 775, Charlestown, MA 02129. Your written claim must state your name and the type of benefit for which the claim is being made. An initial claim for disability benefits will be reviewed by the Fund Administrator, rather than the Board of Trustees.

The Plan must notify you of its decision regarding your claim within 90 days of receiving written notice of your claim (45 days in the case of a claim for disability benefits). If the Board or the Fund Administrator determines extra time is needed to make a decision regarding a claim, they must provide you with written notice before the end of the initial 90 (or 45) day period that explains the need for an extension and indicates when they expect to make a decision. The extension may be for no longer than an additional 90 days (30 days in the case of a claim for disability benefits). If there is a denial, the Plan must provide you written notice, containing the specific reasons for the denial and specific references to Plan provisions on which the denial is based. In addition, the notice will explain what material or information is needed in order to perfect the claim, as well as the procedure you must follow to have the Trustees review the Plan's denial and your right to bring a civil suit if the claim is denied on review. Where the denial concerns a claim for disability benefits, the notice will, if applicable, contain additional information regarding (1) any internal rule, guideline, protocol, or similar criterion upon which the Fund Administrator relied in denying the claim, or (2) any scientific or clinical judgment that supported denying the claim based on a medical-necessity, experimental-treatment, or similar limitation or exclusion.

If you do not receive notice from the Plan within the time period(s) provided above, you may treat the claim as denied and may appeal.

### **Appeals**

You may appeal a denial of a claim in writing within 60 days after receiving notice of the Plan's denial (180 days if the denial regards a claim for disability benefits). When requesting review of a previously denied claim, you must state the reasons you believe your claim for benefits was improperly denied. Before the Board makes its decision on review, you must provide all evidence you have to support your claim (regardless of whether the evidence was included with the initial claim). The Board of Trustees will review your appeal and, if necessary, hold a hearing at which you may present your reasons for objecting to the Plan's denial of your claim.

The Board's review will take into account all comments, documents, records, and other information you submit relating to the claim, regardless of whether such information was submitted or considered in the initial determination. Upon written request, you may receive, at no cost to you, copies of or access to all documents, records, or other information relevant to your claim. You may also submit written comments, documents, records, and other information related to your claim.



The decision by the Board with respect to review shall be made at their next meeting following receipt of the request for review unless (1) the request is filed within 30 days of such meeting, in which case a decision shall be made not later than the second meeting following receipt of the request, or (2) if special circumstances require an extension of time for processing the appeal (the need for a hearing, for example), a decision shall be rendered not later than the third meeting after the Board's receipt of a request for review, and written notice of such extension shall be furnished to you prior to commencement of the extension.

When reviewing the denial of a claim for disability benefits:

- (1) The Board will not afford deference to the initial adverse benefit determination, and its review will be conducted by an appropriate named fiduciary of the Plan who is neither the Fund Administrator who denied the claim, nor that person's subordinate;
- (2) If the claim is based in whole or in part on a medical judgment, the appropriate named fiduciary will consult with a healthcare professional who has appropriate training and experience in the field of medicine involved in the medical judgment;
- (3) The healthcare professional with whom the appropriate named fiduciary consults will not be the professional who was consulted in connection with the initial review of the claim or that professional's subordinate; and
- (4) Medical or vocational experts whose advice was obtained by or on behalf of the Plan in connection with the adverse decision will be identified, regardless of whether their advice was relied upon in making the decision.

The Board's decision on review will be in writing, and will be sent to you within five (5) days of the date the decision is made. If your claim is denied on review, the Board's written decision will include the specific reasons for the denial and specific references to the Plan provisions on which the denial is based. The decision will include a statement that you are entitled to receive, upon request and free of charge, reasonable access to or copies of all documents, records, and other information relevant to your claim for benefits, as well as a statement that you have a right to bring a civil suit under ERISA Section 502(a). Where the denial on review concerns a claim for disability benefits, the decision will contain a statement regarding voluntary alternative dispute resolution options and will, if applicable, contain information regarding (1) any internal rule, guideline, protocol, or similar criterion upon which the Board relied in denying the claim, or (2) any scientific or clinical judgment that supported denying the claim based on a medical-necessity, experimental-treatment, or similar limitation or exclusion. If the decision on review is not given within the time specified above, you should consider the claim denied on review.

The decision of the Trustees shall be final and binding on all interested persons. You are required to exhaust all remedies provided under the Plan before seeking further appeal.

## **YOUR ERISA RIGHTS**

As a Participant in the BSA-ILA Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all Plan Participants shall be entitled to:

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

- Examine, without charge, at the Fund Office (Charlestown Navy Yard, 197 8th Street, Suite 775, Charlestown, Massachusetts 02129), all Plan documents, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 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, a copy of the latest annual report (Form 5500 Series), and an updated summary plan description. The Administrator may make a reasonable charge for copies.
- Receive annual notice regarding the Plan's funding status. The Plan Administrator is required by law to furnish each Participant with a copy of this annual funding notice.
- Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (age 65) 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 benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once a year. 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 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 benefit or exercising your rights under ERISA.



## **Enforce Your Rights**

If your claim for a benefit is denied in whole or in part, you have a right to know why this was done, to obtain copies of documents relating 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 materials 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, 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.

## **SOME ADDITIONAL FACTS YOU SHOULD KNOW ABOUT YOUR PENSION PLAN**

**Number-** 006

**Employer Identification Number-** 04-2034907

**Plan Year-** October 1 through September 30

## **Plan Funding**

Your Pension Fund is a separate trust fund established for the sole purpose of providing benefits under the Plan. Benefits are provided from the Pension Fund's assets, which are accumulated under the provisions of Collective Bargaining Agreements between the Boston Shipping



Association and the International Longshoremen's Association, AFL-CIO, Participation Agreements, and the Trust Agreement. The Pension Fund assets and reserves are held in custody by a custodian bank and are invested until such time as they are needed to pay the benefits provided by the Plan.

### **Plan Administration**

The Plan is administered by a Board of Trustees comprised of 14 members. Seven members are appointed by the Boston Shipping Association's Participating Employers and seven are elected by the International Longshoremen's Association. The Trustees may be contacted by writing to them at BSA-ILA Pension Plan, Charlestown Navy Yard, and 197 8th Street, Suite 775, Charlestown, MA 02129. The Fund Office telephone number is (617) 242-3303.

All Plan records are maintained by the Fund Office staff at BSA-ILA Pension Plan, Charlestown Navy Yard, 197 8th Street, Suite 775, Charlestown, Massachusetts 02129. Records are kept on a fiscal year basis, with the last date of the Plan Year falling on each September 30.

### **Board of Trustees**

#### **Boston Shipping Association Trustees**

William C. Eldridge  
Mediterranean Shipping Co. Boston  
8 Essex Center Drive, 3<sup>rd</sup> Floor  
Peabody, MA 01960

Michael Meyran  
Massport  
1 Harborside Drive, Suite 200  
East Boston, MA 02128

Richard F. Meyer  
Boston Shipping Association, Inc.  
197 Eighth Street, Suite 775  
Charlestown, MA 02129

David Powell  
C.H. Powell Company  
75 Shawmut Road  
Canton, MA 02021

Stefan Palmer  
Moran Shipping Agencies, Inc.  
11 Elkins Street, Suite 240  
South Boston, MA 02127

#### **International Longshoremen's Association Trustees**

William McNamara  
ILA Vice President  
Boston Fish Pier, Suite 304A, West Bldg.  
Boston, MA 02110

Bernard O'Donnell  
ACD V.P.  
Boston Fish Pier, Suite 304A, West Bldg.  
Boston, MA 02110

William Sullivan, (Local 799)  
International Longshoremen's Association  
496 Summer Street  
Boston, MA 02110

George McEvoy III, (Local 800)  
International Longshoremen's Association  
496 Summer Street  
Boston, MA 02100

Donald Portalla Jr., (Local 805)  
International Longshoremen's Association  
496 Summer Street  
Boston, MA 02110

William Weigele  
Columbia Coastal Transport  
95 Fargo Street  
South Boston, MA 02210

Robert Walsh, (Local 1066)  
P.O. Box 62  
Charlestown, MA 02129

Ryan Cox  
Boston Line & Service  
One Black Falcon Avenue  
Boston, MA 02210

Anthony Farmusa, (Local 1604)  
300 Terminal Street  
Charlestown, MA 02129

### **Legal Process**

Legal process may be served upon a Plan Trustee, or upon the full Board of Trustees as the Plan Administrator at: Board of Trustees, BSA-ILA Pension Plan, Charlestown Navy Yard, 197 8th Street, Suite 775, Charlestown, MA 02129.

### **Plan Continuation and Termination**

The Board of Trustees, the Participating Employers, and the Union hope to continue the Plan indefinitely. The right is necessarily reserved by the Board of Trustees to amend and modify the Plan at any time. Except as otherwise provided by law, no Plan amendment may take away benefits you have already earned. The Participating Employers, the Union, and the Board of Trustees reserve the right to terminate the Plan. Such action can only be taken jointly by all three bodies.

If the Plan terminates, you will have a vested right to the benefits you have earned based on your Years of Service prior to the termination date, to the extent that there are sufficient assets in the Trust Fund after payment of Plan expenses, including expenses related to termination. The Plan document (Article XVII) sets forth rules that are prescribed by law to determine how the Plan's assets will be divided in case of termination, including how the assets will be divided if they are not sufficient to pay all of the benefits due.

### **PBGC Insurance**

Should the Plan be terminated, 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 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. 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 for the year in which the plan terminates; (2) some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than five 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 for the company; (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 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbtc.gov>.