

BSA-ILA HEALTH, WELFARE AND CLINIC PLAN

ARTICLE 1

Establishment of Plan

1.1 On January 1, 1959, the Boston Shipping Association ("BSA") and the International Longshoremen's Association, AFL-CIO ("ILA" or "union") pursuant to collective bargaining agreements established a Welfare Fund and Plan known as the BSA-ILA Health, Welfare and Clinic Fund and Plan for the benefit of employees working under collective bargaining agreements between employer members of the BSA and the ILA for the Port of Boston.

1.2 The BSA and the Union hereby adopt the following restatement of the BSA-ILA Health, Welfare and Clinic Plan effective January 1, 1996.

ARTICLE 11

Name

The Welfare Plan set forth herein shall be known as the BSA-ILA Health, Welfare and Clinic Plan.

ARTICLE 111

Definitions

In this Plan, masculine gender shall include the feminine, and the singular shall include the plural, unless the context other wise requires, and the following words shall have the following meanings:

3.1 "Employee" shall mean (a) each individual who now or hereafter is employed as a Longshoreman, Clerk or Linehandler by an Employer and for whom an Employer makes contributions to the Fund, and, (b) a Union Representative.

3.2 "Qualified Employee" shall mean an employee who has been credited with 700 Hours of Service for an Employer during the prior contract year October 1, to September 30, or,

(a) An employee who has been credited with between 650 and 700 Hours of Service during the prior contract year October 1, to September 30, whose case was reviewed by the Trustees and deemed qualified by the Trustees.

(b) An employee who served in the Armed Services of the United States of America during the prior contract year October 1, to September 30, whose case was reviewed by the Trustees and deemed qualified by the Trustees.

3.3 "Employer" shall mean an employer-member of the BSA obligated under the terms of a collective bargaining agreement with the Union. Employer shall also mean the Board of Trustees or the Union where applicable.

3.4 "Union Representative" shall mean a member of the ILA who at some time has performed an Hour of Service for an Employer, serving as a Delegate, Business Agent, Representative, or, as an employee of a union fringe benefit fund.

3.5 "Hour of Service" is (a) each hour that an employee is directly or indirectly paid or entitled to payment for the performance of duties as a longshoreman, clerk or linehandler for a participating Employer or as a union representative or union fringe benefit fund employee (b) hours credited during periods of absence arising from work related injuries for which the employee is entitled to benefits from Worker's Compensation or benefits under a similar law.

3.6 "Qualified Dependents" shall include the lawfully married spouse of a qualified employee and unmarried dependent children up to eighteen years of age or up to the age that said dependent children are eligible for health care benefits under the provisions of insurance carriers or health maintenance organizations under agreement with the Plan.

3.7 "Fund" shall mean the entire assets of the BSA-ILA Health, Welfare and Clinic Fund.

ARTICLE IV

Purpose

The purpose of the Plan is to provide Health Care Benefits, Life Insurance, Accident and Sickness Insurance, Spouse Death Benefit, and, Retiree Benefits consisting of Medicare Reimbursement, Prescription Drug Reimbursement and Retiree Death Benefit to qualified employees and eligible dependents.

ARTICLE V

Eligibility and Coverage

An employee is eligible for benefits if he is employed by an employer. A Union Representative is also eligible for benefits.

5.1 To qualify for coverage and benefits under the Plan each calendar year, an employee must be credited with at least 700 Hours of Service in the preceding contract year (October 1 to September 30), or,

a. An employee credited with between 650 and 700 Hours of Service for an Employer during the prior contract year October 1, to September 30, whose case was reviewed by the Trustees and deemed qualified by the Trustees. The decision of the Trustees is to be final, or,

b An employee who served in the Armed Services of the United States of America during the prior contract year October 1, to September 30, whose case was reviewed by the Trustees and deemed qualified by the Trustees. The Trustees' decision shall be final.

5.2 Short Term Disability - If a qualified employee works less than 700 hours because of illness or injury, coverage will be continued for one additional year if the employee qualified for coverage in the preceding two years, and provides proper medical evidence to the Trustees.

5.3 Long Tern Disability - If a qualified employee's disability continues into another contract year and the employee has not yet retired, coverage will be continued for one additional year for each five (5) continuous years that an employee qualified for coverage prior to the disability. The employee must provide medical evidence of continued disability to the Trustees.

5.4 Death - In the event of a qualified employee's death, family health care coverage will be continued under the same rules set forth in paragraphs 5.2 and 5.3 above, except that coverage will end in the event that the surviving spouse and/or dependents obtain other group health coverage through remarriage and/or employment. Family health care coverage may also be continued for a period of time following an employee's death, at full cost to dependents in accordance with the law.

5.5 Normal Retirement (attainment of age 65 and completion of ten (10) Years of Pension Service) - A qualified employee's coverage will be continued for the full calendar year following the employee's retirement, if the employee worked at least one hour in the contract year in which the employee retired. However, Medicare will be the primary payor of health care benefits for the employee.

5.6 Early Retirement (attainment of age 62 and completion of twenty-five (25) years of Pension Service) - a qualified employees's coverage will be continued through the calendar year in which the employ reaches age 65.

5.7 Disability Retirement (completion of fifteen (15) Years of Pension Service at the time of disability and demonstration with medical evidence of the employee's permanent and total disability) If on the date that a qualified employee retires the employee is covered under the Plan, coverage will be continued for the two calendar years following retirement.

5.8 Termination of Coverage - Coverage as an active member under the Plan will end when an employee no longer qualifies under the foregoing rules, except that, an employee may be entitled to coverage under retiree benefits if an employee is eligible for a retirement benefit under the BSA-ILA Pension Plan as set forth in this Plan.

ARTICLE VI

Financing and Funding

The total cost of all benefits for each calendar year shall not exceed the sum specified for each year in the Collective Bargaining Agreements, multiplied by the number of hours reported for the Health, Welfare and Clinic Fund in the period October 1 through September 30 of that year, plus the surplus of the prior year's Health, Welfare and Clinic Fund, should such surplus exist.

If contributions and surplus funds are not sufficient, Plan benefits will be reduced or eliminated and/or employees will be given the option of continuing such benefits at their own expense.

ARTICLE VII

Health Care Benefits

7.1 A qualified employee shall be entitled to receive health care benefits as determined solely by the Trustees in accordance with the funding limitations set forth in Article 6.

7.2 The Trustees may enter into an agreement with an insurance carrier or a health maintenance organization to provide health care benefits for qualified employees and their qualified dependents.

ARTICLE VIII

Life Insurance

8.1 A qualified employee shall be entitled to receive life insurance in an amount determined solely by the Trustees in accordance with the funding limitations set forth in Article 6.

8.2 The Trustees may enter into an agreement with an insurance carrier to provide said benefits.

ARTICLE IX

Accident and Sickness Insurance

9.1 A qualified employee shall be entitled to receive accident and sickness insurance in the event the employee becomes totally disabled due to a non-job related injury or sickness. The amount of said benefit shall be determined solely by the Trustees in accordance with the funding limitations set forth in Article 6.

A non-job related injury or sickness means a condition for which a person is not entitled to benefits from worker's compensation or similar law, and includes, as sickness, pregnancy and related conditions. An employee must be under the care of a doctor and cannot perform any work for pay. Weekly benefits shall be payable up to a maximum of twenty-six weeks for each period of disability.

Successive periods of disability will be considered one period of disability unless they are separated by a return to full-time work for at least two weeks.

9.2 The Trustees may enter into an agreement with an insurance carrier to provide said benefits.

ARTICLE X

Spouse Death Benefit

10.1 If a qualified spouse of a qualified employee dies while the employee is an active member of the Plan, the employee shall be entitled to receive a death benefit in an amount determined solely by the Trustees subject to the funding

10.2 The Trustees may self insure this benefit payable out of the assets of the Fund or enter into an agreement with an insurance carrier to provide said benefit.

ARTICLE XI

Retiree Benefits

11.1 A qualified employee who retires under the provisions of the BSA-ILA Pension Plan and the qualified spouse of said employee who was lawfully married to the qualified employee on the date of retirement shall be eligible to receive the following benefits:

- a. Medicare Part B Premium Reimbursement on and after age 65.
- b. Prescription Drug Reimbursement equal to 80% of the actual cost of the prescription after a \$25 annual deductible, or, if the employee has prescription drug insurance through

a policy paid by said employee, payment of 100% of the amount not reimbursed by other insurance.

c. Retiree Death Benefit for a retired former employee who dies while covered under this

Article 1 1 in an amount determined solely by the Trustees toward burial expenses payable directly to a funeral director or individual who paid the burial expenses.

11.2 The foregoing benefits shall be subject to the funding limitation set forth in Article 6.

11.3 The Trustees may self insure these benefits payable out of the assets of the Fund or enter into an agreement with an insurance carrier to provide said benefits.

ARTICLE XII

Contributions

12.1 Each Employer shall contribute to the Fund in amounts determined in accordance with the Collective Bargaining Agreements.

12.2 All amounts contributed by Employers shall be irrevocable. Under no circumstances whatsoever shall any part of the Trust Fund be used for, or diverted to, purposes other than for the exclusive benefit of eligible employees as herein provided.

ARTICLE XIII

Administration

The Plan shall be administered by the Board of Trustees as set forth in the Agreement and Declaration of Trust of the BSA-ILA Health, Welfare and Clinic Fund.

ARTICLE XIV

Amendments

The Board of Trustees reserve the right to amend or modify this Plan, in whole or in part, at any time and from time to time.

ARTICLE XV

Termination of Plan and Trust

15.1 The BSA and the Union reserve the right to terminate the Plan at any time.

15.2 Upon termination of the Plan, after all benefits have been paid and any other requirements of law have been met, any remaining Plan assets will be, at the discretion of the Board of Trustee, either used to purchase benefits or distributed to eligible employees, in accordance with the requirements of law.

ARTICLE VI

Construction

This Plan and all related documents shall be construed according to the laws of the Commonwealth of Massachusetts.

In Witness Whereof, the Boston Shipping Association, Inc., ILA Locals 799, 800, 805, 1066, 1604 and the International Longshoremen's Association, AFL-CIO and the Board of Trustees have executed this instrument ~~this 2nd day~~ of March 1996.

BOSTON SHIPPING ASSOCIATION, INC.

INTERNATIONAL LONGSHOREMEN'S
ASSOCIATION (AFL-CIO)

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