

ILWU-PMA BENEFIT PLANS /

International Longshore & Warehouse Union —
Pacific Maritime Association

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ILWU-PMA Pension Plan
ILWU-PMA Welfare Plan

ILWU-PMA Watchmen Pension Plan
ILWU-PMA Supplemental Welfare Benefit Plan

November 18, 2011

TO: ILWU Longshore, Ship Clerk, and Walking Boss/Foreman Locals and
Watchmen Locals 26 and 75

FROM: Elizabeth Sharpe, Manager, Welfare Plans

RE: Medicare Changes in Hospital Deductible and Coinsurance Amounts

The Centers for Medicare & Medicaid Services has announced the following changes in inpatient hospital deductible and daily coinsurance amounts effective January 1, 2012:

| | 2011 | 2012 | Amount of Increase |
|--|------------|-------------------|--------------------|
| Inpatient hospital deductible | \$1,132.00 | \$1,156.00 | \$24.00 |
| Daily coinsurance amount per benefit period: | | | |
| 61 st through 90 th day of hospitalization | \$283.00 | \$289.00 | \$4.00 |
| 91 st through 150 th day of hospitalization (lifetime reserve days) | \$566.00 | \$578.00 | \$12.00 |
| 21 st through 100 th day of extended care service in a skilled nursing facility | \$141.50 | \$144.50 | \$3.00 |

Medicare eligibles with coverage under the ILWU-PMA Coastwise Indemnity Plan will have no increase in their out-of-pocket costs because the Plan covers Medicare deductibles and coinsurance.

As of January 1, 2012, the standard monthly Medicare Part B premium rate deducted from Medicare enrolled members' Social Security payments will be \$99.90 if the member's modified adjusted gross income does not exceed \$85,000 (\$170,000 for couples).

Individuals whose modified adjusted gross income exceeds \$85,000 (\$170,000 for couples) are subject to higher premium amounts. Pensioners and Beneficiaries whose monthly Medicare Part B premium is higher than the standard rate of \$99.90 must submit documentation to the Plan office verifying the amount of their monthly premium.

A copy of this memo can be downloaded at www.benefitplans.org

cc: Area Welfare Directors

ES:nt/opeiu29aficio/MedicareChanges-Eff.01012012-111811