

ILWU-PMA BENEFIT PLANS /

International Longshore & Warehouse Union —
Pacific Maritime Association

1188 FRANKLIN STREET • SUITE 300 • SAN FRANCISCO, CALIFORNIA 94109

www.benefitplans.org
(415) 673-8500

ILWU-PMA Pension Plan
ILWU-PMA Welfare Plan

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

April 1, 2009

To: ILWU Longshore, Ship Clerk and Walking Boss/Foremen Locals and
Watchmen Locals 26 and 75

From: Beth Sharpe, Manager, Welfare Plans

Subject: ILWU-PMA Welfare Plan – Weekly Indemnity Benefit Modification

The attached notice regarding modification of the Weekly Indemnity Program/Non-Industrial Disability Supplement effective April 13, 2009 will be mailed to all active Welfare Plan participants this week.

Attachment

cc: Area Welfare Directors

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

KM:th/opeiu29-afl-cio/MTP WI Benefit Modification-040109

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March 30, 2009

Re: ILWU-PMA Welfare Plan
Weekly Indemnity Benefit Modification

Last year, you were notified that the Longshoremen's, Clerks and Foremen/Walking Bosses contributions that fund Weekly Indemnity (WI) Benefits under the ILWU-PMA Welfare Plan (the "Plan") were insufficient to support all WI Benefits then paid under the Plan. In order to avoid increasing the percentage of pay each worker had to contribute, the Plan was amended to adjust the WI benefits for Oregon and Washington participants. Effective, January 1, 2009 the state of California increased its CSDI required contribution rate to 1.1% of all wages up to \$90,669. As a consequence, at this point in the calendar year the Plan is not currently receiving any contributions from California participants. Contributions from participants in Oregon and Washington have declined due to the reduction in hours worked. Additionally, the total number of claims that have been filed by California, Oregon and Washington participants have increased.

Unfortunately, the adjustments made to the Plan in 2008 were insufficient to prevent the funding for the WI Benefits from operating at a deficit, and it has again become necessary to modify the Plan. Accordingly, effective April 13, 2009, the parties have agreed to temporarily suspend the Non-Industrial Supplemental Benefit of \$125.00 per week for California, Oregon and Washington participants. All other WI Benefits remain unchanged.

Please note that additional modifications may be necessary to further stabilize the Plan. You will be notified by the Benefit Plans Office if it becomes necessary to enact further changes to the WI benefit program.

If you have any questions concerning these matters, please contact the Benefits Plans Office at (415) 673-8500.