

ILWU-PMA BENEFIT PLANS /

International Longshore & Warehouse Union —
Pacific Maritime Association www.benefitplans.org

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ILWU-PMA Pension Plan
ILWU-PMA Welfare Plan

ILWU-PMA Watchmen Pension Plan

October 24, 2014

To: ILWU Longshore, Ship Clerk and Walking Boss/Foreman Locals

From: John Barton, Executive Director

Subject: ILWU-PMA Pension Plan – Notice of Plan Status

Attached is a copy of a Notice from the Trustees of the ILWU-PMA Pension Plan describing the funded status of the Pension Plan as of July 1, 2014.

In accordance with federal law, this Notice is being mailed to all participants in the ILWU-PMA Pension Plan.

Attachment

cc: Area Welfare Directors

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

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October 2014

ILWU-PMA Pension Plan Notice of Plan Status

Participants, Beneficiaries, Participating Unions and Contributing Employers:

The Pension Protection Act (PPA), signed into law in 2006, requires this notification about the “financial health” of the ILWU-PMA Pension Plan (Plan). Starting with the 2009 Plan year, the Plan must be tested annually to determine its funding status under the PPA. Plans that are in the Yellow Zone (“endangered” or “seriously endangered”) or Red Zone (“critical”) must notify all Plan participants, unions and contributing employers of the Plan’s status, as well as take corrective action to restore the Plan’s financial health.

Plan’s Status - Yellow Zone

For the Plan year beginning July 1, 2014, the Plan is less than 80% funded. The Plan's actuary determined this to be the case based on the PPA's funding measures. As a result, on September 26, 2014, the Plan was certified as being in Yellow Zone status for the 2014-2015 Plan Year.

Funding Improvement Plan

Yellow Zone status requires that the Plan adopt a “Funding Improvement Plan” (FIP). A FIP was previously adopted on June 23, 2009. You should know that the current Plan agreement already contains an aggressive funding policy that exceeds the requirements of the PPA. Therefore, it is not expected that any changes will be needed to meet the PPA’s requirement for a FIP. The FIP will have no effect on the benefits improvements negotiated in 2008.

We understand that legally required notices like this one can create concern about the Plan’s future. While the “endangered” label is required to be used by law, the fact is that under the current CBA, the parties are committed to improving the Plan's funding level.

The Plan’s financial condition will change as the economy changes, and the PPA requires that the Plan’s funding status be reviewed and certified annually, which means that you will receive a notice like this each year until the Plan is not in the Yellow Zone or Red Zone.

For more information about this notice or the Pension Plan in general, please contact John Barton, Executive Director, at:

ILWU-PMA Benefit Plans Office
1188 Franklin Street, Ste. 101
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Sincerely,

Board of Trustees