

ILWU-PMA BENEFIT PLANS /

International Longshore & Warehouse Union —
Pacific Maritime Association

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(415) 673-8500

ILWU-PMA Pension Plan
ILWU-PMA Welfare Plan

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

January 9, 2008

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

From: Gail Lorentz, Manager, Welfare Plans

Subject: ILWU-PMA Welfare Plan – Weekly Indemnity Program

The attached Summary of Material Modifications describing changes to the Weekly Indemnity Program (including a chart of Weekly Indemnity Benefit Amounts for claims filed on or after January 20, 2008) will be mailed to all Welfare Plan participants this week.

Attachments

cc: Area Welfare Directors

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

GL:nk/opeiu29aficio/mtp wp wip 1.9.08

ILWU-PMA Pension Plan
ILWU-PMA Welfare PlanILWU-PMA Watchmen Pension Plan
ILWU-PMA Supplemental Welfare Benefit Plan**ILWU-PMA WELFARE PLAN****Summary of Material Modifications – Weekly Indemnity Benefits**

The employee contributions that fund the Weekly Indemnity (WI) Benefits under the ILWU-PMA Welfare Plan (the “Plan”) are no longer sufficient to support the WI Benefits paid under the Plan. Currently, employee contributions are set at 1.08% of each Longshoreman’s, Clerk’s, and Walking Boss/Foreman’s pay, and the maximum WI Benefit is tied to the California State Disability Insurance (“CSDI”) program maximum, which was raised from \$882.00 to \$917.00 per week effective January 1, 2008. At these levels, the funding for the WI Benefits is expected to run at a deficit beginning in the first quarter of 2008. In order to avoid reducing the maximum benefit or increasing the percentage of pay each worker must contribute, it has become necessary to amend the Plan.

The amendment is intended to ensure that non-industrial disability benefit payments will be the same Coastwise. WI Benefits are paid to participants working in the states of Oregon and Washington, while participants working in California receive benefits under the CSDI program. CSDI benefits are based on an “earnings test”, under which the amount of benefits paid to a participant is equal to a percentage of his or her earnings in the highest quarter of the Base Period (as defined below). By contrast, the weekly WI Benefit paid in the Northwest is currently a flat amount (the CSDI maximum), regardless of earnings during any base period.

The Plan amendment, effective January 20, 2008, will apply the “earnings test” Coastwise. Thus, effective for WI claims filed on or after January 20, 2008:

1. If you are an eligible participant whose Assigned Port is the State of Washington or Oregon and you are suffering from a certified non-industrial disabling illness or injury, and you worked or were available for work on at least one day during the 31 days preceding the first day of such disability, you will be paid a WI Benefit each week that is equal to a percentage of your average weekly earnings (including all industry wages, vacation benefits, holiday pay, Pay Guarantee payments, Clerks Work Opportunity Guarantee payments and reported full and part time Union employment) during your highest calendar quarter of earnings in the “Base Period” (as defined below). WI Benefit levels effective January 20, 2008, are shown in the attached chart which shall be revised from time to time to remain equal to the amounts paid under the CSDI program.

The “Base Period” is defined as follows:

If you submit a claim for WI Benefits due to a non-industrial illness or injury that commenced in the months of January, February, or March, the corresponding Base Period for that claim is the 12 months ending on September 30 of the preceding calendar year.

If you submit a claim for WI Benefits due to a non-industrial illness or injury that commenced in the months of April, May, or June, the corresponding Base Period for that claim is the 12 months ending on December 31 of the preceding calendar year.

If you submit a claim for WI Benefits due to a non-industrial illness or injury that commenced in the months of July, August, or September, the corresponding Base Period for that claim is the 12 months ending on the prior March 31.

If you submit a claim for WI Benefits due to a non-industrial illness or injury that commenced in the months of October, November, or December, the corresponding Base Period for that claim is the 12 months ending on the prior June 30.

2. The WI Benefit period shall be a maximum of 52 weeks. If you incur a recurring and/or unrelated non-industrial illness or injury prior to or following recovery from the initial disabling illness or injury, then you may submit a new claim for WI Benefits for that condition provided no further benefits are payable with respect to the initial claim. However, the new Benefit amount will be determined with respect to the new Base Period in the same manner as described under paragraph 1 above, and will therefore usually be much lower than the original Benefit amount, if not zero, until you have built up sufficient earnings in the applicable Base Period.

This amendment will not affect the Non-Industrial Supplement Benefit of \$125.00 per week, which will remain unchanged. This Benefit is available to participants Coastwise who complete the Weekly Indemnity Form certifying their non-industrial injury or illness.

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

ILWU-PMA Welfare Plan Weekly Indemnity Benefit Amounts

(This chart reflects maximum weekly benefit amounts for claims filed on or after January 20, 2008.)

This chart shows what your weekly benefit might be based on your highest quarter of earnings in your base period.

If your illness or injury began in:	Your base period is the 12 months ending last
January, February, or March.....	September 30
April, May, or June.....	December 31
July, August, or September.....	March 31
October, November, or December.....	June 30

Wages in the High Quarter:	Weekly Benefit Amount:	Wages in the High Quarter:	Weekly Benefit Amount:	Wages in the High Quarter:	Weekly Benefit Amount:
\$75.00 - 1,374.99.....	\$50 - 59	8,249.10 - 8,485.45.....	350 - 359	15,340.01 - 15,576.36.....	650 - 659
1,375.00 - 1,624.99.....	60 - 69	8,485.46 - 8,721.82.....	360 - 369	15,576.37 - 15,812.72.....	660 - 669
1,625.00 - 1,867.27.....	70 - 79	8,721.83 - 8,958.18.....	370 - 379	15,812.73 - 16,049.09.....	670 - 679
1,867.28 - 2,103.63.....	80 - 89	8,958.19 - 9,194.54.....	380 - 389	16,049.10 - 16,285.45.....	680 - 689
2,103.64 - 2,340.00.....	90 - 99	9,194.55 - 9,430.91.....	390 - 399	16,285.46 - 16,521.82.....	690 - 699
2,340.01 - 2,576.36.....	100 - 109	9,430.92 - 9,667.27.....	400 - 409	16,521.83 - 16,758.18.....	700 - 709
2,576.37 - 2,812.72.....	110 - 119	9,667.28 - 9,903.63.....	410 - 419	16,758.19 - 16,994.54.....	710 - 719
2,812.73 - 3,049.09.....	120 - 129	9,903.64 - 10,140.00.....	420 - 429	16,994.55 - 17,230.91.....	720 - 729
3,049.10 - 3,285.45.....	130 - 139	10,140.01 - 10,376.36.....	430 - 439	17,230.92 - 17,467.27.....	730 - 739
3,285.46 - 3,521.82.....	140 - 149	10,376.37 - 10,612.72.....	440 - 449	17,467.28 - 17,703.63.....	740 - 749
3,521.83 - 3,758.18.....	150 - 159	10,612.73 - 10,849.09.....	450 - 459	17,703.64 - 17,940.00.....	750 - 759
3,758.19 - 3,994.54.....	160 - 169	10,849.10 - 11,085.45.....	460 - 469	17,940.01 - 18,176.36.....	760 - 769
3,994.55 - 4,230.91.....	170 - 179	11,085.46 - 11,321.82.....	470 - 479	18,176.37 - 18,412.72.....	770 - 779
4,230.92 - 4,467.27.....	180 - 189	11,321.83 - 11,558.18.....	480 - 489	18,412.73 - 18,649.09.....	780 - 789
4,467.28 - 4,703.63.....	190 - 199	11,558.19 - 11,794.54.....	490 - 499	18,649.10 - 18,885.45.....	790 - 799
4,703.64 - 4,940.00.....	200 - 209	11,794.55 - 12,030.91.....	500 - 509	18,885.46 - 19,121.82.....	800 - 809
4,940.01 - 5,176.36.....	210 - 219	12,030.92 - 12,267.27.....	510 - 519	19,121.83 - 19,358.18.....	810 - 819
5,176.37 - 5,412.72.....	220 - 229	12,267.28 - 12,503.63.....	520 - 529	19,358.19 - 19,594.54.....	820 - 829
5,412.73 - 5,649.09.....	230 - 239	12,503.64 - 12,740.00.....	530 - 539	19,594.55 - 19,830.91.....	830 - 839
5,649.10 - 5,885.45.....	240 - 249	12,740.01 - 12,976.36.....	540 - 549	19,830.92 - 20,067.27.....	840 - 849
5,885.46 - 6,121.82.....	250 - 259	12,976.37 - 13,212.72.....	550 - 559	20,067.28 - 20,303.63.....	850 - 859
6,121.83 - 6,358.18.....	260 - 269	13,212.73 - 13,449.09.....	560 - 569	20,303.64 - 20,540.00.....	860 - 869
6,358.19 - 6,594.54.....	270 - 279	13,449.10 - 13,685.45.....	570 - 579	20,540.01 - 20,776.36.....	870 - 879
6,594.55 - 6,830.91.....	280 - 289	13,685.46 - 13,921.82.....	580 - 589	20,776.37 - 21,012.72.....	880 - 889
6,830.92 - 7,067.27.....	290 - 299	13,921.83 - 14,158.18.....	590 - 599	21,012.73 - 21,249.09.....	890 - 899
7,067.28 - 7,303.63.....	300 - 309	14,158.19 - 14,394.54.....	600 - 609	21,249.10 - 21,485.45.....	900 - 909
7,303.64 - 7,540.00.....	310 - 319	14,394.55 - 14,630.91.....	610 - 619	21,485.46 - 21,650.91.....	910 - 919
7,540.01 - 7,776.36.....	320 - 329	14,630.92 - 14,867.27.....	620 - 629	21,650.92 and above.....	917
7,776.37 - 8,012.72.....	330 - 339	14,867.28 - 15,103.63.....	630 - 639		
8,012.73 - 8,249.09.....	340 - 349	15,103.64 - 15,340.00.....	640 - 649		