

SUMMARY ANNUAL REPORT FOR ILWU-PMA WELFARE PLAN

This is a summary of the annual report of the ILWU-PMA Welfare Plan, a health, life insurance, dental, vision, temporary disability and death benefits plan (Employer Identification Number 94-6068578, Plan Number 501), for the plan year July 1, 2016 through June 30, 2017. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Insurance Information

The plan has insurance contracts with Kaiser Foundation Health Plan Northwest, Gentle Dental, Vision Service Plan, Dental Health Services, Dental Health Services of Washington, Kaiser Foundation Health Plan No California, Delta Dental of California, Kaiser Washington, Kaiser Foundation Health Plan So California, Harbor Dental Associates, Cigna Life Insurance Co. Of North America and Lifemap-Regence Life and Health Insurance Company to pay certain health, dental, vision, life insurance, accidental death and dismemberment claims incurred under the terms of the plan. The total premiums paid for the plan year ending June 30, 2017 were \$171,224,510.

Because they are so called "experience-rated" contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending June 30, 2017, the premiums paid under such "experience-rated" contracts were \$38,389,184 and the total of all benefit claims paid under these experience-rated contracts during the plan year was \$38,794,405.

Basic Financial Statement

Benefits under the plan are provided by insurance and a trust fund. Plan expenses were \$756,060,183. These expenses included \$47,702,098 in administrative expenses and \$708,358,085 in benefits paid to participants and beneficiaries and to insurance carriers for the provision of benefits. A total of 19,344 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$86,342,303 as of June 30, 2017, compared to \$103,950,931 as of July 01, 2016. During the plan year, the plan experienced a decrease in its net assets of \$17,608,628. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$738,451,555 including employer contributions of \$675,403,215, employee contributions of \$13,024,859, rollovers of \$121,455, earnings from investments of \$61,235, and income from Medicare and other government subsidies of \$49,840,791.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An account's report;
2. Financial information;
3. Assets held for investment;
4. Insurance information, including sales commissions paid by insurance carriers;
5. Information on payments to service providers.

To obtain a copy of the full annual report, or any part thereof, write or call the plan administrator, at 1188 Franklin Street, 3rd Floor, San Francisco, CA 94109-6800 and phone number, 415-673-8500.

You also have the legally protected right to examine the annual report at the main office of the plan: 1188 Franklin Street, 3rd Floor, San Francisco, CA 94109-6800, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

NEWS ABOUT YOUR HEALTH AND PENSION BENEFITS

The information that follows concerns health and pension benefits for *eligible* active and retired Longshoremen, Ship Clerks, Walking Bosses/Foremen and Watchmen, and their qualified dependents.

* **Women's Health and Cancer Rights Act of 1998:**

On October 21, 1998 Congress passed the "Women's Health and Cancer Rights Act of 1998." Under this law, effective January 1, 1999 health plans must provide the following coverage after a mastectomy, as determined in consultation with the attending physician and the patient:

- ⇒ reconstruction of the breast on which the mastectomy was performed
- ⇒ surgery and reconstruction of the other breast to produce a symmetrical (balanced) appearance
- ⇒ prostheses (artificial replacements)
- ⇒ services for physical complications resulting from the mastectomy

All ILWU-PMA Welfare Plan health care programs provide this coverage and are in compliance with the law. *If you have any questions about this law, please contact your respective health plan or the Benefit Plans Office.*

* **Life Insurance Beneficiary Designation Form (for Active and Retired Longshoremen):**

Please remember to keep your Beneficiary Designation Form current. Changes in beneficiary designation may be made at any time by submitting a new Beneficiary Designation Form to the Benefit Plans Office. The Beneficiary Designation Form is available at your Local and the Benefit Plans Office.

Beneficiary Designation Forms must be submitted to the Trustees c/o the ILWU-PMA Benefit Plans Office, 1188 Franklin Street, Suite 101, San Francisco, CA 94109. A change in beneficiary designation is not effective until the completed and signed form is received by the Trustees at the Benefit Plans Office.

* **Active and Retired Member's Address Changes:**

It is important to notify the Plan office when your **address changes**. To request an address change, call the Benefit Plans Office at (415) 673-8500 to request a Record Change Form, or you can download the form at www.benefitplans.org. Actives and Retirees can also send a signed written address change request to: ILWU-PMA Benefit Plans, 1188 Franklin Street, Suite 101, San Francisco, CA 94109.

* **Who May Sign on Behalf of Pensioners:**

Under the rules of the ILWU-PMA Pension Plan, pension checks, address change requests, etc., must be signed by the pensioner or other person authorized to act on the pensioner's behalf, such as a court appointed guardian and/or conservator of the pensioner's estate. Under certain circumstances, benefit payments may be mailed to a pensioner in care of a Social Security Representative Payee or the holder of a power of attorney, and such person will be allowed to sign on the pensioner's behalf for certain Plan purposes. Documentation of the status as guardian, conservator, Social Security Representative Payee or holder of power of attorney must be sent to, and found acceptable by, the Benefit Plans

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Office before a signature other than the pensioner's can be accepted. These are the only circumstances under which anyone other than the pensioner will be allowed to sign on the pensioner's behalf for any Pension or Welfare Plan purpose.

* **Pensioners/Survivors:**

If your ILWU-PMA pension check is being **mailed** to your home/post office box ~~or to your bank/financial institution~~, consider signing up for Electronic Fund Transfer (EFT). EFT is a more efficient way of depositing your benefit payments – your payment is transmitted electronically and does not go through the postal service. With EFT, you always know what day your funds will be deposited into your account. Information about EFT and sign-up forms are available from the Benefit Plans Office (415-673-8500), from your Area Welfare Director, ~~or~~ at the ILWU Locals, or may be downloaded at www.benefitplans.org.

