

**STATEMENT OF PROCEDURES UNDER ILWU-PMA PENSION PLAN
FOR COMPLIANCE WITH STATE COURT DOMESTIC RELATIONS DECREES**

Pursuant to the Employee Retirement Income Security Act, as amended by the Retirement Equity Act of 1984 (“ERISA”), the Board of Trustees of the International Longshore and Warehouse Union – Pacific Maritime Association Pension Plan, adopts these rules and procedures for administering domestic relations order. This pamphlet summarizes the procedures that the ILWU-PMA Benefit Plans Office (“Plans Office”) will follow, as agent for the Trustees of the ILWU-PMA Pension Plan (the “Plan”) (who are the Plan Administrator of the Plan) in deciding whether and how to comply with orders entered by state domestic relations courts affecting the payment of benefits under the Plan. For details on how these procedures may apply to your particular case, you should contact your own domestic relations counsel.

The first 5 pages of these procedures (Paragraphs A through F) are intended to provide general guidance to the parties to domestic relations proceedings in drafting orders that comply with the terms of the Plan and applicable federal law. In the event an entered order fails to comply with the terms of the Plan and applicable federal law or one or more of the parties disagree with the initial determination of the Plans Office, Attachment B contains technical information relating to appeals and modifications of orders.

The Plan Administrator encourages the parties to domestic relations cases to bear in mind that such cases can be, and often are, resolved without a need to enter an order against the Plan. It must also be recognized that a Participant's pension benefits will be reduced when a portion of those benefits is assigned to one or more other persons. While the Plan does not provide for benefits in a lump sum form, at the request of the Participant, the Plans Office will provide information from which the parties' actuaries may determine the present value of the Participant's retirement benefits.

A. Criteria for a Qualified Domestic Relations Order (“QDRO”)

The Plans Office is required to comply with orders (or judgments, decrees or approved property settlements) entered by state courts in domestic relations cases if it determines that such orders are Qualified Domestic Relations Orders (“QDROs”). Because of federal law, the Plans Office cannot comply with such orders if they do not satisfy the criteria for a QDRO. See 29 U.S.C. § 1056(d).

The Plans Office will treat any domestic relations order as a QDRO if it determines that the requirements imposed by federal law are satisfied. In making this determination, the Plans Office will not review the fairness or merits of an order but only its compliance with the following criteria:

- A.1. The order must be made pursuant to a State domestic relations law (including a community property law);
- A.2. The order must constitute a judgment, decree, or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payment and/or marital property rights to an “Alternate Payee” (i.e., a spouse, former spouse, child or other dependent of a Participant);
- A.3. The order must create or recognize an Alternate Payee’s right to (or assign to an Alternate Payee the right to) receive all or a portion of the Participant’s benefits payable under the Plan;
- A.4. The order must clearly specify:
- (a) The name and mailing address of the Participant and each Alternate Payee,
 - (b) The amount or percentage of the Participant’s benefits to be paid to each Alternate Payee (or a practicable formula by which the amount or percentage is to be determined),
 - (c) The number of payments or the period (including start and stop dates) to which the order applies, and
 - (d) The Plan to which the order relates, i.e., the “ILWU-PMA Pension Plan”; and
- A.5. The order must not require the Plan to provide any “disqualifying benefit”, i.e.:
- (a) Any type or form of benefit or benefit option, or any type of notice to the Participant, the Alternate Payee, or the court, which is not otherwise provided under the terms of the Plan,
 - (b) Increased benefits (determined on the basis of actuarial value), or
 - (c) Benefits that are already required to be paid to another Alternate Payee under a separate QDRO.

In order to facilitate proper tax reporting for the Participant and the Alternate Payee(s), a QDRO should contain the Social Security number of each Alternate Payee. (It is advisable to submit Social Security numbers under separate cover to the Plans Office as an entered QDRO often becomes public record.) Also, in order to demonstrate that it is intended to qualify under the Plan, the order should state that it has been prepared in accordance with the “Statement of Procedures Under ILWU-PMA Pension Plan for Compliance With State Court Domestic Relations Decrees” issued to the Participant and Alternate Payee(s) by the Plans Office.

B. Information Relevant to QDROs

Attached hereto as Attachment A is a description of the Plan, summarizing the provisions that are most relevant to the preparation of QDROs. A more detailed explanation of the Plan, called "Summary Plan Description", is also available from the Plans Office upon request.

A standard formula for dividing benefits pursuant to the terms of the Plan, consistent generally with community property principles, would be:

$$50\% \quad x \quad \begin{array}{l} \text{Participant's} \\ \text{Monthly} \\ \text{Plan Benefit} \end{array} \quad x \quad \begin{array}{l} \text{Participant's Paid Qualifying Years} \\ \text{of Service Accrued During Community} \\ \text{Participant's Paid Qualifying Years} \\ \text{of Service at Benefit Commencement} \end{array}$$

If a formula such as this is used, the order must specify either the number of paid qualifying years of service during the community for which the parties agree credit should be given or the period of the community (i.e., the dates the community began and ended) that the Plans office is to take into account. If the period of community is given, the Plans Office will determine the number of paid qualifying years of service accrued during the period of community and will give credit for those portions of any paid qualifying years of service (expressed in terms of whole months) accrued in the calendar (payroll) years during which the community began and ended. (Where the community begins before (or ends on or after) the 15th day of a month, the Plan Office will give credit for the entire month.)

Please note that for years of service accrued prior to 1994, partial years of service are recognized only for purposes required by a QDRO, and benefits are not paid based on partial years. Beginning in 1994, however, benefits began being paid based on partial years of service (for example, 8/13 of a year of service will be credited when a Participant works 800 hours and full credit will be given for 1300 hours or more). Also note that there may be a difference between a Participant's paid qualifying years of service and all of his/her qualifying years of service because while a Participant may earn 38 or more qualifying years of service, the Plan in no event will determine benefits based on more than 37 years.

The automatic and only form of benefit payment under the Plan is a fully subsidized (unreduced) annuity for the life of the Participant with a life annuity for his/her surviving spouse (the percentage of which is based on the time of the Participant's date of retirement); there are no optional forms of benefit and no elections other than a Participant's election as to the date of his or her retirement. Hence, an order cannot require benefits (other than survivor benefits) to be payable over any period other than the life of the Participant starting from a date certain set in the order, and survivor benefits cannot be assigned.

If an order requires the Alternate Payee's benefits to begin before the Participant retires, the Alternate Payee's benefits will be actuarially reduced in accordance with Plan rules, and the

benefits can be increased (if the order so requires) only to reflect any subsidy the Participant receives for early retirement. A Participant's benefit upon early retirement is subsidized by the Plan because the amount of the monthly benefit is reduced by 5% for each full year (and 1/12 of 5% for each month) that his/her retirement precedes age 62 (or in some cases age 65) rather than a higher factor determined actuarially based on the Participant's age (referred to as the "unsubsidized factor"). An Alternate Payee who begins receiving benefits before the Participant retires will receive a monthly benefit reduced by the unsubsidized factor (based on the Participant's age as of the date such benefits begin). An order may provide that in the event the Participant retires before his Normal Retirement Date, the Alternate Payee's benefit will be increased to reflect the subsidy received by the Participant.

An order requiring benefits to begin on or after the date the Participant retires must state the extent to which the Alternate Payee will share in any future benefit increases negotiated by the ILWU and PMA.

Generally, the person who has been married to a Participant for a year at the date he/she retires is the "surviving spouse" entitled to survivor benefits under the Plan. A QDRO can, however, designate a former spouse as the Participant's "surviving spouse" entitled to receive all or a portion of any survivor benefits payment (see 29 U.S.C. § 1056(d)(3)(F)). Please note that since survivor benefits are equal to a percentage of those payable during the Participant's lifetime, applying the above formula to survivor benefits as well as to benefits during the Participant's lifetime will reduce the Alternate Payee's benefit should the Participant die first. Also note that if an order applies the above formula to survivor benefits and requires the Alternate Payee's benefits to begin before the Participant retires, the Plans Office will (absent contrary provisions) construe the order to require it to determine the Participant's Paid Qualifying Years of Service at Benefit Commencement (for purposes of computing the Alternate Payee's survivor benefits) at the time survivor benefits begin rather than at the time preretirement benefits began.

The Alternate Payee may not designate a beneficiary to whom benefits would be paid after the Alternate Payee's death. Aside from federal tax levies, the Plan is prohibited by ERISA from assigning pension benefits to anyone other than a qualified "alternate payee" as defined in ERISA Section 206(d)(3)(K).

C. Accounting for Amounts Payable Under
Order Pending Determination

While making its determination as to an order that has been entered in a particular case, the Plans Office will withhold payment, beginning on the date on which the first payment would be required to be made under the order if it were qualified, of the amounts, if any, that the Plans Office determined would have been payable to the Alternate Payee(s) by the Plan under the order had the order been determined to be a QDRO. The Plans Office will account separately for these amounts at such time as the amounts become payable in accordance with the procedures described in Attachment B.

D. Notice of Claim Ineffective Unless in Form of QDRO

The Plans Office cannot, because of Federal law, make such withholding unless it has received a “domestic relations order” that satisfies the requirements of paragraphs A.1, A.2 and A.3 above. Therefore, the Plans Office cannot fail to pay benefits to a Participant when due simply because it has received notice of some other person’s claim to some or all of those benefits; it can withhold only after receiving a domestic relations order entered by a court. See 29 U.S.C. § 1056(d)(3)(H).

E. Amendment of Procedures

The Plans Office reserves the right to amend any or all of the procedures discussed above or in Attachment B in its sole and unreviewable discretion, at any time and from time to time. If an amendment is made that affects a pending case, the Plans Office will notify each Participant and Alternate Payee.

No amendment or modification, unless required by law or applicable regulation, will cause an order previously determined to be a QDRO to fail to retain that status, or cause an order previously determined not to be a QDRO to be recharacterized as a QDRO.

F. Release From Liability

Under federal law, the Plan and its fiduciaries are discharged from any obligation or liability to any Participant or Alternate Payee(s) to the extent of any payment made pursuant to these procedures.

ATTACHMENT A

SUMMARY ILWU-PMA PENSION PLAN

This outline has been prepared to assist the parties in domestic relations proceedings and reflects in summary fashion only those Plan provisions deemed pertinent. It does not reflect all provisions of the Plan. It is subject to, and in no way modifies or interprets, the Plan provisions. For more detailed information, please refer to the Summary Plan Description.

ELIGIBILITY FOR YEAR OF SERVICE CREDIT

A Participant is credited with a Year of Service for eligibility and vesting purposes for any calendar (payroll) year in which he or she works or is credited with 800 hours. Beginning in 1994, a full Year of Service will be credited for benefit accrual purposes only if a Participant works or is credited with 1300 hours or more, and a partial Year of Service will be credited for at least 800 hours. Hours may be credited in certain circumstances to permit a Participant to attain the 800 hour minimum.

ELIGIBILITY FOR RETIREMENT

Normal Retirement benefits commencing at or after age 65, Early Retirement benefits commencing at or after age 55, Bridge benefits commencing at or after age 55 but before age 65, and Disability Retirement benefits commencing prior to age 65 are payable, subject to the eligibility requirements set forth in the Summary Plan Description.

ELIGIBILITY FOR SPECIAL PROGRAM BENEFITS

A group of about 230 Longshoremen who were in active status as of 9/30/90 and filed applications during a 3-month window period were eligible for supplemental benefits for additional years of service if they met certain eligibility requirements. These benefits are identified as Special Program Benefits (SPB) or Special Program Benefit Supplement (SPBS).

AMOUNT OF RETIREMENT BENEFITS

Normal Retirement: For retirements on or after July 1, 1993, the monthly benefit is equal to the sum of the

monthly flat rates attributable to each Year of Service that afford the highest benefit. For each Year of Service where at least 800 hours are credited, the monthly flat rate attributable to such Year is \$180 (beginning 7/1/2015 for participants who retired on or after 7/1/2014) times the hours of service (not to exceed 1300) divided by 1300. For purposes of this formula, the hours of service for each year of Service credited prior to 1994 will be 1300, and no more than 37 Years of Service will be counted.

Early Retirement: Monthly benefit is calculated on same basis as Normal Retirement benefit, but reduced 5% for each year that the retiring Participant is younger than age 62.

Bridge Benefit: Monthly benefit is \$500, reduced for retirement age below age 62, the Participant must be at least age 55, and have at least 25 years of service.

Disability Retirement: Monthly benefit is equal to unreduced Normal Retirement benefit accrued to date of Disability Retirement.

Special Programs: Beginning July 1, 1996, the SPB benefit is \$41 per month per year of SPB-recognized service. The SPBS benefit is \$36 per month per year of SPBS-recognized service. SPB-recognized service is the years between the SPB Eligibility Date and Normal Retirement Date; SPBP-recognized service is the years between April 1, 1991 and Normal Retirement Date. The number of years recognized for SPB or SPBS purposes, combined with Pension Plan Years of Service, shall not exceed 35.

BENEFITS FORMS

Automatic: The above benefits (other than the Bridge Benefit) are paid

in the form of a fully subsidized (unreduced) joint and survivor annuity, which, in the case of a Participant with no surviving spouse, terminates upon the Participant's death. (Except for survivor benefits, an alternate payee can receive benefits during the Participant's lifetime only.)

Bridge: A temporary monthly benefit is paid to the Participant only until his Social Security retirement age or death, whichever occurs first. An alternate payee may also be entitled to this benefit.

BENEFITS PAYABLE AT DEATH

Pre-retirement survivor benefits are payable upon the death of a Participant with 5 (five) or more credited Years of Service, subject to the eligibility requirements and in the amounts set forth in the Summary Plan Description. Post-retirement survivor benefits are payable to the surviving spouse of a Pensioner.

CONTRIBUTIONS

The entire cost of the Plan is paid by employers. Employees make no contributions to the Plan. The Plan does not maintain individual accounts for Participants.

ATTACHMENT B

ADDITIONAL PROCEDURES RELATING TO DETERMINATION OF
QDRO STATUS, APPEAL THEREOF, MODIFICATIONS
OF ORDER AND PAYMENT OF BENEFITS FROM SEGREGATED ACCOUNT

1. Submission of Domestic Relations
Order

Upon receipt of any domestic relations order (DRO) by the Plan, the Plans Office will notify the Participant and the Alternate Payee(s) named in the order of the receipt of a DRO and the Plan's procedures for determining whether an order is a QDRO. The notice will be sent to the Participant and Alternate Payee(s) at the address specified in the order, or if none is specified, at the address last known to the Plans Office.

2. Procedures respecting Determination
of QDRO Status of Order

a. If the Plans Office makes an initial determination that an order is not a QDRO, notification will be given to the Participant and the Alternate Payee(s) in writing. The notification will be written in understandable language and will state:

(i) Specific reasons for determination,

(ii) Specific reference to any provisions of the ILWU-PMA Pension Agreement upon which the determination is based, and

(iii) An explanation of how, where and when the Participant and/or Alternate Payee(s) may obtain a review of the initial determination.

b. Within 60 days after an initial determination is issued by the Plans Office that an order is not a QDRO, or within 30 days after an initial determination is issued by the Plans Office in a contested case (see paragraph 1.f below) that an order is a QDRO, the Participant and/or the Alternate Payee(s), or the counsel for any of them, may make a written request for a review of the initial determination. Pertinent documents relating to the initial determination may be inspected. Comments or arguments may be submitted in writing.

Requests for review should be submitted in writing to:

ILWU-PMA Pension Plan
1188 Franklin Street, Suite 101
San Francisco, CA 94109

c. If review is not sought in a timely fashion, the initial determination shall become final upon expiration of the time in which to request review. If review is sought in a timely fashion, the Plans Office shall immediately notify the Participant and the Alternate Payee(s) in writing that review has been requested.

d. A decision on review of an initial determination will be made within 60 days after receipt of the request for review. If an extension of time is required, the Participant and the Alternate Payee(s) will be so notified, and a decision will be made within 120 days of receipt of the request for review. The decision will be written in understandable language. If the decision is to uphold the initial determination, the decision will state:

(i) Specific reasons for the determination, and

(ii) Specific reference to any provision of the ILWU-PMA Pension Agreement upon which the determination is based.

e. The determination on review shall become final 60 days after it is issued unless the Plan Office receives notice, within said 60 days, that the Participant and/or Alternate Payee(s) has filed a civil action requesting judicial review of the determination. If notice that judicial review has been requested is received by the Plan Office within said 60 days, the Plans Office shall immediately so notify the Participant and the Alternate Payee(s) by sending each of them a copy of the complaint(s), and the determination shall not then become final unless and until it is upheld by a final judgment of a court of competent jurisdiction.

f. Domestic relations orders generally result from stipulations or property settlement agreements. Should an order be received that is not the product of a stipulation or property settlement agreement, the Participant and Alternate Payee(s) must notify the Plans Office in writing within 30 days after receiving an initial determination that such an order is a QDRO of whether they contest the determination, if so, the specific grounds of dispute, and steps they have taken to amend the order accordingly (attaching any relevant court documents). If the Participant or Alternate Payee(s) fail to so notify the Plan Office within the 30-day period, they will be deemed to have conceded the qualified status of the order. The Plans Office has found that exigent circumstances in contested cases generally require a shorter response time.

3. Modification of Order Determined to Be Non-Qualified

If, before the determination that an order is not a QDRO becomes final, the Plans Office receives written notice from either the Participant or an Alternate Payee that either party is attempting to rectify any deficiencies in the order, the Plans Office shall immediately notify the Participant and the Alternate Payee(s) by sending each of them a copy of the notice, and the determination shall not be considered final pending the submission to the Plans Office of a

modified order and its determination of the qualified status thereof.

4. Accounting for and Disbursement of Amounts
Withheld During Determination Period

While determining whether an order is a QDRO, the Plans Office is required to separately account for the amounts that would be payable to the alternate payee and make sure these amounts are not paid incorrectly. Therefore, during the review process, the Plans Office will withhold payment of and segregate the amounts, if any, that the Plans Office determined would have been payable to the Alternate Payee(s) by the Plan under the order had the order been determined to be a QDRO. The Plans Office will only segregate if the order clearly states the amount or percentage of the Participant's benefits to be paid to the Alternate Payee (or a practicable formula by which the amount or percentage is to be determined). If the order is silent as to benefits or fails to clearly state an amount, percentage, or formula applicable to the Plan, the Plans Office will not segregate and will pay benefits to the Participant as they become due.

The Plans Office will disburse the benefit payments, if any, that have been withheld during the determination period pursuant to Paragraph C of the foregoing QDRO Procedures, following the earlier of:

- a. The date it is finally determined, in accordance with the QDRO Procedures and this Attachment B, that the order is a QDRO (in which event the amounts withheld will be disbursed in accordance with the order);
- b. The date it is finally determined, in accordance with the QDRO Procedures and this Attachment B, that the order is not a QDRO (in which event the amounts withheld will be disbursed to the person(s) who would have been entitled thereto had there been no such order);
- c. The end of the 18-month period following the date on which the first payment would have been required to have been made under the order had it been qualified (in which event the balance will be disbursed to the person(s) who would have been entitled thereto had there been no such order).

After the earlier of these events has occurred, the Plans Office shall notify the Participant and the Alternate Payee(s) named in the order of its determination, if any. Any determination that the order is a QDRO that is made after the close of the 18-month period shall be applied prospectively only; i.e., the Plan and its fiduciaries shall not be liable for payments to any Alternate Payee(s) under the order for the period before the order is determined to be a QDRO.

5. Modified Order Relates Back to Time
of Receipt of Initial Order

If, before a final determination is made that an order is not a QDRO, the Plans Office receives a modification of that order, the time of receipt of the modified order shall relate back to the time of receipt of the earlier order.

6. Address(es) for Service of Notices
and Payments

All notices from the Plans Office under these procedures will be mailed to the Participant and Alternate Payee(s) at the address(es) specified in the order and to their counsel, if known. All checks payable to any Alternate Payee shall also be mailed to the address specified in the order. The Participant and Alternate Payee(s) may, however, by written designation notify the Plans Office of additional or alternative representative(s) for service of notices or of any changed address. Notice to counsel for the Participant or an Alternate Payee is deemed to be notice to such Participant or Alternate Payee. Notices to the Plans Office (or to the Plan Administrator) should be sent to: Executive Director, ILWU-PMA Benefit Plans, 1188 Franklin Street, Suite 101, San Francisco, CA 94109.

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