



INTERNATIONAL LONGSHORE & WAREHOUSE UNION COAST LONGSHORE DIVISION

William E. Adams

Robert Olvera, Jr.

Frank Ponce De Leon

Cam Williams

MEMORANDUM

TO: ILWU Coast Longshore Division Locals
FROM: The Coast Committee
SUBJECT: **Pension and Welfare Eligibility During COVID-19**
DATE: March 29, 2021

The Coast Committee is pleased to inform the locals that the ILWU and the PMA have entered into an unprecedented agreement to address the impact of the COVID-19 health crisis on participants in the ILWU-PMA Welfare and Pension Plans. The agreement, dated March 15, 2021, is the result of many months of negotiations that began in June of 2020 when the Union made proposals to provide longshore workers the opportunity to maintain benefit coverage notwithstanding lower work hours during the pandemic. As a result of the parties' agreement, the Welfare and Pension Plans have been amended to provide the following critical relief:

Welfare Coverage

Every registered longshore worker who currently has Welfare Plan coverage and was credited with at least one (1) hour of work in payroll year 2020 will maintain Welfare Plan coverage throughout the remainder of calendar year 2021. Under the Welfare Plan's ordinary annual review rules, coverage beginning July 1, 2021 would have required at least 800 hours worked and/or credited in payroll year 2020 (or at least 400 hours in the first half of payroll year 2020). The agreement therefore provides relief to all registrants who worked at least one hour, but less than the number ordinarily required, in 2020. Welfare Plan coverage beginning January 1, 2022, will again be subject to the Plan's ordinary annual or mid-year review rules: thus continuing coverage for the first half of 2022 will require at least 800 hours in payroll year 2020 or at least 400 hours in the first half of payroll year 2021. If you did not work and/or were not credited with at least 800 hours in 2020, it is important that you make every effort to work at least 400 hours during the period January 1, 2021 through June 30, 2021 in order to continue your coverage in 2022.

Pension Coverage

(a) Longshore workers will be credited with additional pension hours for payroll year 2020 (up to a maximum total of 1,300) in the amount of any hours they work over 1,300 in any of the payroll years 2021, 2022 or 2023. For example, if you worked and/or were credited with 700 hours in 2020, but work 1,400 hours in 2021, 100 of the hours worked in 2021 will be automatically

Pension and Welfare Eligibility During COVID-19

March 29, 2021

Page 2

transferred to 2020 to give you a minimum pension-qualifying year (800 hours) for 2020. If you then work 1,600 hours in 2022, an additional 300 hours will be automatically transferred to 2020 to give you a pro-rata pension-qualifying year for 2020 based on 1,100 hours. And finally, if you work 1,600 hours in 2023, a further 200 hours will be automatically transferred to 2020 to give you a full pension-qualifying year (1,300 hours) for 2020.

Credits for all hours transferred from any of the payroll years 2021-2023 will be allocated to the 2020 payroll year upon the last day of the 2023 payroll year (or, if earlier than that, your pension commencement date or date of death).

(b) The agreement also provides that, *in the case of longshore workers age 65 or over in 2020*, if the hours transferred to payroll year 2020 under paragraph (a) are insufficient to provide a minimum pension-qualifying year for 2020, *then additional pension hours will be transferred to payroll year 2020 (up to a maximum total of 800) in the amount of any hours they work over 1,100 in any of the payroll years 2021, 2022 or 2023*. For example, if you were age 65 or over in 2020 and worked and/or were credited with 400 hours in 2020, but work 1,200 hours in 2021, 1,200 hours in 2022 and 1,400 hours in 2023, then 100 hours from each of 2021 and 2022 will be transferred to 2020, and 200 hours from 2023 will be transferred to 2020, to give you a minimum pension-qualifying year (800 hours) for 2020.

All other provisions of the ILWU-PMA Welfare and Pension Plans remain unchanged.