PENSION SUMMARY PLAN DESCRIPTION

MM&P PENSION PLAN

May 2013
MM&P Pension Plan
Third Restated Regulations through Amendment No. 11

WHAT IS THE MM&P PENSION PLAN?

We are pleased to present you with this booklet, which describes the key features of the Masters, Mates and Pilots Pension Plan in effect as of January 2013. We have tried to explain everything in plain, straightforward terms; however, certain words and phrases have specific meanings in our Plan. To help you understand their meaning, we have provided a glossary that appears at the back of the booklet.

Effective March 1, 2013, benefit accrual was frozen, except for participants working under a collective bargaining agreement with Lamont Doherty Earth Observatory of Columbia University. Benefits for other participants will not increase after February 28, 2013. They may accrue additional benefits in the future under the MM&P Adjustable Pension Plan.

This summary includes the provisions of the Rehabilitation Plan adopted by the Trustees to comply with the requirements of the Pension Protection Act of 2006. The Rehabilitation Plan reduced the rate of pension benefit accrual for service on and after May 1, 2010, delayed eligibility for a Regular Pension, limited future cost-of-living increases, and made other changes to the Plan. In addition, federal law required the Plan to eliminate the previously available lump sum and Social Security level income options.

Please read this booklet and share it with your family so that they are aware not only of your benefits, but also any survivor benefits to which they may become entitled. We also encourage you to contact the Plan Office if, after reading this booklet, you have any questions.

EXCEPT FOR PARTICIPANTS EMPLOYED BY LAMONT DOHERTY EARTH OBSERVATORY, THIS PLAN BOOKLET SUPERSEDES AND REPLACES ALL PREVIOUS PENSION SUMMARY PLAN DESCRIPTIONS.

Sincerely,

BOARD OF TRUSTEES
MM&P PENSION PLAN

<u>IMPORTANT:</u>
WE HAVE MADE EVERY EFFORT TO PROVIDE YOU WITH A DESCRIPTION OF YOUR PENSION PLAN AND A CLEAR UNDERSTANDING OF HOW THE PLAN WORKS AS OF MAY 2013. BUT REMEMBER, THIS BOOKLET SUMMARIZES THE IMPORTANT FEATURES OF THE PLAN AND DOES NOT COVER ALL DETAILS. COMPLETE DETAILS ARE CONTAINED IN THE OFFICIAL PLAN DOCUMENTS. YOUR RIGHTS TO BENEFITS ARE GOVERNED SOLELY BY THE TERMS OF THE PENSION PLAN AND THE INTERPRETATIONS OF THE BOARD OF TRUSTEES, WHICH HAS THE SOLE DISCRETIONARY AUTHORITY TO INTERPRET THE PLAN'S TERMS. YOUR RIGHTS TO BENEFITS CAN ONLY BE DETERMINED BY REFERRING TO THE FULL TEXT OF THE PENSION PLAN. NOTHING IN THIS BOOKLET CAN MODIFY OR CHANGE THE OFFICIAL PLAN OR TRUST. THE BOARD OF TRUSTEES RESERVES THE RIGHT TO AMEND, MODIFY OR TERMINATE THE PLAN (IN WHOLE OR IN PART) AT ANY TIME. *IF THERE IS EVER ANY CONFLICT BETWEEN THE WORDING IN THIS BOOKLET AND THE WORDING IN THE OFFICIAL PLAN DOCUMENTS, THE PLAN DOCUMENTS ALWAYS GOVERN*.

PLEASE NOTE THAT AMENDMENTS TO PLAN REGULATIONS ADOPTED BY THE TRUSTEES AFTER MAY 2013 WILL BE PUBLISHED IN *THE MASTER, MATE & PILOT* (THE UNION NEWSPAPER).

IF YOU HAVE ANY QUESTIONS ABOUT THE INFORMATION PROVIDED IN THIS BOOKLET, PLEASE FEEL FREE TO CONTACT THE PLAN OFFICE.

TABLE OF CONTENTS

What Effect Does the "Freeze" of the Plan Have on My Benefits?

Beginning on March 1, 2013, the MM&P Pension Plan has been replaced by the MM&P Adjustable Pension Plan. The accrual of benefits under the MM&P Pension Plan was frozen on February 28, 2013. Your benefit under this Plan will remain the same in the future as it was on February 28, 2013, based on your Pension Credits and your Pay calculated as of that date.

You will continue to earn Vesting Service after February 28, 2013, and you will continue to earn Pension Credits solely for the purpose of determining the type of pension for which you are eligible.

When Can You Participate in the Plan?

If you worked for a Contributing Employer,[1] before March 1, 2013, you became a participant in the Plan on January 1 or July 1 after a twelve-consecutive-month period during which you completed at least 87 days of service in Covered Employment.

Covered Employment is employment for which an Employer is obligated to contribute to the Plan or to the MM&P Adjustable Pension Plan. This may also include periods of time before the Employer began contributing to the Plan. See the Glossary in the back of this booklet for a more detailed definition.

Example: John was hired on March 1, 2011, and completed 87 days of service in Covered Employment by February 29, 2012. He became a participant in the Plan on July 1, 2012.

How Does the Time You Work Count?

The time you work for a Contributing Employer in Covered Employment counts in a number of ways. As you work, you accumulate Pension Credits, which determine the amount of your pension at retirement (if earned before March 1, 2013) and the type of pension you can receive. Your work time also counts toward Vesting Service. You must be vested in your pension in order to receive it after you retire. (See "Vesting Service" on page 4.)

Pension Credit

Pension Credit is granted according to schedules that vary for different periods. The chart on page 30 ("Your Pension Credit Chart") shows how to compute your Pension Credit for any year. The method described here is used for all years from 1987 through the present.

You are granted one Pension Credit for each calendar year in which you have at least 260 days of Covered Employment. If you have fewer than 260 days but at least 65 days, you will receive Pension Credit in proportion to the number of days worked versus 260 days as shown below:

> Days of Covered Employment during calendar year divided by 260 = Pension Credit for the calendar year.

Example: Jim worked 200 days of Covered Employment during 2012. His Pension Credit for 2012 is determined as follows: 200 days worked ÷ 260 = .77. He earned .77 Pension Credit for 2012.

You receive no Pension Credit for any calendar year in which you work fewer than 65 days.

Exception: If you do not have *at least* 65 days of Covered Employment in each of any two calendar years after 1984, the section of "Your Pension Credit Chart" labeled

[1] Please note that capitalized terms, such as "Contributing Employer" may have special meanings. Look for them in the Glossary at the end of this booklet.

"January 1, 1976 – December 31, 1986" is used to compute your Pension Credit.

YOU CAN NEVER EARN MORE THAN ONE PENSION CREDIT IN ANY CALENDAR YEAR.

Special Situations Affecting Your Pension Credit

1. Pension Credit for MITAGS Attendance Effective June 16, 1981. You are credited with one day of Pension Credit for each day of attendance (up to a maximum of 30 days per calendar year) for successful completion of courses sponsored or approved by MITAGS. If you attend MITAGS while on vacation, you will be credited with only one day of Pension Credit. MITAGS attendance may be moved to open time in the same calendar year.

2. Pension Credit after Age 65. Participants who have at least one day of Covered Employment on or after January 1, 1988, receive Pension Credit for service after age 65.

3. Pension Credit for Periods of Military Service. You may receive Pension Credit for periods of service in the Armed Forces of the United States in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994. ("USERRA") USERRA provides reemployment rights and benefits and protection from discrimination to individuals who, either by induction or as a volunteer, have entered military service in any branch of the armed forces of the United States. If you satisfy the conditions for protection under USERRA, your period of military service will be treated as hours of service under the Plan. The Plan Office will furnish additional information upon request.

4. Pension Credit for Periods of Disability. You will receive Pension Credit for any period for which MM&P Health & Benefit Plan pays you disability or hospital benefits.

5. Augmented Pension Benefit. If you worked overtime hours during 1985, you may be eligible for additional credit toward your pension benefit, called an Augmented Pension Benefit. If you think this may apply to you and you'd like more information, contact the Plan Office.

6. Purchase of Pension Credits. You may use funds in your MM&P IRAP account to purchase additional Pension Credits, provided that you meet all of the following conditions*:*

- You have at least 10 years of Vesting Service Credit under the Pension Plan.
- You have attained the minimum age necessary to begin receiving an MM&P Pension (*e. g.*, age 60 for an Early Retirement Pension, or age 65 for a Reduced Pension).
- You have filed an application for a pension benefit with the Plan Office.

You may purchase Pension Credits for any period after 1995 and before March 1, 2013, during which your Employer was obligated to make contributions on your behalf to the MM&P IRAP but *not* to the MM&P Pension Plan. The number of Pension Credits you purchase may not exceed the number that you would have earned if you had been working in Covered Employment during that period.

You must submit an application to the Trustees in order to purchase Pension Credits. The Plan's actuary will calculate the purchase price for the additional Credits, and the Plan will advise you accordingly. You will then have 30 days to elect to purchase the Pension Credits and authorize the transfer of the purchase price from your MM&P IRAP account to the MM&P Pension Plan.

Please contact the Plan Office for required forms.

Example #1
Joe is working for an Employer that makes contributions on his behalf to the MM&P IRAP but is not obligated to make contributions to the MM&P Pension Plan.

Joe wishes to buy two quarters of Pension Credit (130 days, or one-half Credit) for the period January 1, 2005, through June 30, 2005. During that period, his Employer made contributions to the MM&P IRAP on his behalf.

Joe is 55 years old and has 19.5 Pension Credits. By purchasing an additional half credit, he will become eligible for immediate commencement of a Regular Pension (which requires being age 55 or older with at least 20 Pension Credits). He files an application for this benefit with the Plan Office. The Plan Office provides him with a form to notify the Trustees of his intention to Purchase Pension Credits.

Joe completes the form and submits it to the Trustees.

The Trustees direct the Pension Plan actuary to calculate the purchase price of the Pension Credits requested.

The Trustees inform Joe of the purchase price. He then has 30 days to (a) authorize a rollover of the necessary funds from his IRAP or (b) waive his right to purchase Pension Credits.

Example #2
Richard wishes to buy 1 quarter of Pension Credit (65 days) for 2012. He works for an Employer that contributes to the MM&P IRAP and Pension Plan on his behalf.

<u>He is not eligible to purchase Pension Credit</u>, because his Employer makes contributions on his behalf to the MM&P Pension Plan.

Example #3
Patrick wishes to purchase 3 quarters of Pension Credit (195 days) for 2011. During that period, his Employer contributed to the MM&P IRAP but not the MM&P Pension Plan on his behalf. He worked for this employer for 100 days during 2011.

In this example the maximum amount Patrick is eligible to purchase is 100 days of Pension Credit.

***7.* Fill in the Gaps Provisions.** Active Participants who earned at least one quarter of Pension Credit after December 31, 1992, and who retire on or after July 1, 1999, are permitted to fill in time to increase their Pension Credits as follows:

- **Establishing a Bank Reserve**

You may use Covered Employment days in excess of the required days necessary to accrue a discrete fraction of a Pension Credit in any calendar year before 1987 to establish a "bank reserve," provided that you **accrued less than one full Pension Credit** in the year from which you draw the excess days.

- **Applying Reserve Days**

You may apply days from your bank reserve to years prior to January 1, 1987, in which you worked in Covered Employment under an Offshore Collective Bargaining Agreement but accrued less than one full Pension Credit.

- **Granting of Pension Credit**

Pension Credit will be granted up to a maximum of one Pension Credit per calendar year pursuant to Section 4.03(g) of the MM&P Pension Plan Restated Regulations.

Example: Jim had 200 days of Covered Employment in 1980. He needed 180 days to receive 0.6 of a Pension Credit under the Regulations then in effect. The additional 20 days earned no Pension Credit for him in 1980. As a result, he has available a "bank reserve" of 20 days for 1980.

In 1982 he accrued 50 days of Covered Employment for which he received "Zero"

Pension Credit. (The Regulations required a minimum of 70 days to accrue 0.25 of a Pension Credit). Adding those 50 days to the 20 days in 1980, he now has in his "bank reserve" 70 days available to fill in any gaps prior to January 1, 1987.

Jim had 210 days of Covered Employment in 1977 and received 0.75 Pension Credit for that year; he can now receive a full Pension Credit for 1977 by applying the 70 days in his "bank reserve" to calendar year 1977.

The Pension Plan has automatically filled in your days under this provision.

Past Service Credit
(Prior to October 1, 1955). You are eligible for Past Service if you were employed as a Licensed Officer on oceangoing vessels in the American Merchant Marine during January 1, 1935, through September 30, 1955. Your employment must have been in a classification covered (or later covered) by a Collective Bargaining Agreement with the Organization. The rules for crediting Past Service are explained on page 36 ("Past Service Credit").

Vesting Service

Vesting Service is used to determine whether you become entitled to a pension benefit from the Plan. Once you become vested, you cannot lose your right to your benefit for any reason.

You become fully (100%) vested when you either –

- have completed at least five years of Vesting Service, or
- reach your Normal Retirement Age.

Note: Different vesting rules apply to participants covered by collective bargaining agreements who do not have at least one day of Covered Employment on or after January 1, 1999, and to nonbargaining participants who do not have at least one day of Covered Employment on or after January 1, 1988.

You receive a year of Vesting Service for each calendar year during your employer's Contribution Period in which you have 87 or more Days of Service. "Normal Retirement Age" and "Contribution Period" are defined in the Glossary. In general, they refer to age 65 and to the period during which your employer was obligated to contribute to the Plan or to the MM&P Adjustable Pension Plan.

For purposes of vesting, a Day of Service is defined as follows:

- a day for which you are directly or indirectly paid, or are entitled to payment by the Employer for performance of duties during days of actual employment (or are paid but do not perform duties, such as vacation days, and any unpaid lag time to the extent applicable);
- a day for which back pay either has been awarded or agreed to by the Employer, regardless of mitigation damages (credited for the calendar year to which the award or agreement pertains);
- days of employment for a Contributing Employer in a non-covered job during the Contribution Period if the work immediately precedes or follows Covered Employment with the same Employer.

CAN YOU LOSE YOUR PENSION CREDIT OR VESTING SERVICE?
Yes. If you have a permanent Break-in-Service before you have five years of Vesting Service, you lose your status as a participant under the Plan and your accumulated Pension Credits and years of Vesting Service are cancelled. Once you have five years of Vesting Service, you become fully vested. After that point, you cannot have a permanent Break-in-Service or lose your pension rights.

What causes a permanent Break-in-Service varies depending on when the break occurred. The current rules are described below. There were different Break-in-Service rules for periods before 1999. Those rules are described on pages 37-38 ("Breaks-in-Service Before 1999").

One Year Break-in-Service

There are two kinds of Break-in-Service: one-year breaks and permanent breaks. A one-year break is temporary and can be repaired. You have a one-year break in any year in which you don't complete at least 44 Days of Service (or at least two months of Service if you're a non-maritime participant). You can repair a one-year break by completing 87 Days of Service in a subsequent calendar year, unless you first have a permanent break as described below:

Permanent Break-in-Service

You have a permanent Break-in-Service if you have fewer than five years of Vesting Service and incur at least five consecutive one-year breaks.

Exceptions to Break-in-Service Rules/Grace Periods

Family and Medical Leave. Days for which you fail to earn Pension Credit because you are on an unpaid leave under the Family and Medical Leave Act of 1993 (FMLA) are credited as Days of Service if they will avoid a Break-in-Service. Under the FMLA, you may take up to 12 weeks of unpaid leave during any 12-month period to care for a newborn, newly adopted, or newly placed foster child; when your presence is required to care for a son or daughter, spouse or parent who has a serious medical condition; when you have a serious medical condition that keeps you from working at your job; or when a "qualifying exigency" arises in connection with the active military service of your child, spouse, or parent. "Qualifying exigencies" include a) up to 7 days for a short-notice deployment; b) military events and related acitivities, such as ceremonies or support meeting sponsored by the military; c) childcare and school activities, such as arranging for or providing childcare; d) financial and legal arrangements; e) counseling; f) up to 5 days of rest and recuperation; g) post-deployment activities; and h) additional activities agreed to by the employer and employee.

FMLA leave also includes up to 26 weeks of unpaid leave during a single year to care for a child, spouse, parent or next of kin (i.e., nearest blood relative) who is a member of the Armed Forces and is either undergoing medical treatment or is on the temporary disability retired list as a result of a serious injury or illness sustained in the line of active military duty.

Days of Service are granted for these leave periods only to prevent you from having a Break-in-Service. They do not count toward Vesting Service or Pension Credit. Days are credited in the year your absence begins if needed to prevent you from having a one-year Break-in-Service in that year. Otherwise, they are credited in the following year. Contact the Plan Office for details.

Maternity/Paternity Leave. You may be credited with up to 44 Days of Service if you are on unpaid leave due to pregnancy, the birth or adoption of your child, or the need to care for your newborn or newly adopted child. These Days of Service are credited in the calendar year your absence begins if needed to prevent you from having a one-year Break-in-Service in that year. Otherwise, they are credited in the following year. Like days credited for FMLA leave, they are used only to avoid a Break-in-Service and do not count toward Vesting Service or Pension Credit. Contact the Plan Office for details.

Period of Disability. A period of up to six consecutive calendar quarters will not count toward a Break-in-Service if you fail to earn Vesting Service because of total disability. You will be considered totally disabled if you are totally unable to work as a Licensed Officer because of bodily injury or disease and you do not earn more than $200 a month in any other employment. If you are disabled, you'll need to provide a written application and receive approval from the Trustees to receive credit for that period.

Period of Hospitalization. Any period that you are a hospital inpatient will not count toward a Break-in-Service. You may be required to provide proof of hospitalization.

Period of Specific Employment. Any periods of employment described in the following list will not count toward a Break-in-Service:

- employment aboard a vessel operated by the Military Sealift Command or any other governmental agency;

- employment as a Licensed Pilot in any American Port or the Panama Canal Zone, while remaining available for employment as a member of the MM&P Pilot Membership Group, or the predecessor MM&P Pilot Division or any former Pilot local of the Organization (for pensions effective on or after April 1, 2004, such employment will be treated as a grace period, if the Participant remained or remains available for employment as a member of the MM&P Offshore Division);
- Covered Employment under another MM&P sponsored Pension Plan;
- employment that generates Employer contributions to any MM&P Benefit Plan including, but not limited to, the MM&P MATES Program, MM&P Joint Employment Committee, MM&P Individual Retirement Account Plan, MM&P Health and Benefit Plan or the Maritime Institute for Research and Industrial Development (M.I.R.A.I.D.);

- shoreside employment related directly to the operation of deep-sea vessels by a company that is party to the Agreement and Declaration of Trust. To be eligible in this case, you must earn at least three Pension Credits by actual work at sea in Covered Employment after the termination of your shoreside employment.

Types of Pensions and When You Can Receive a Pension

The pension for which you are eligible depends on your age and your Pension Credits. In all cases, Pension Credits earned after February 28, 2013, are counted, but solely for the purpose of determining the type of pension for which you are eligible.

Example: Alphonse had 18 Pension Credits as of March 1, 2013. He retires on January 1, 2015. At that time, he has 20 Pension Credits and is 60 years old. He is entitled to a Regular Pension, but the amount of his pension will be based on only the 18 Pension Credits he earned before the Plan was frozen. He may also be entitled to a pension from the MM&P Adjustable Pension Plan.

- **Regular Pension**: You are eligible for a Regular Pension if you retire with at least 20 years of Pension Credit *and* either –

  - you are at least 55 years old, *or*
  - your age and pension credit total at least 80.

- **Reduced Pension**: You are eligible for a Reduced Pension if you retire after reaching age 65 and you have at least 15 years of Pension Credit.

- **Early Retirement Pension**: You are eligible for an Early Retirement Pension if you retire between ages 60 and 64 with at least 15 years of Pension Credit *or* if you retire with at least 20 years of Pension Credit before you are eligible for a Regular Pension.

  If you accrued Pension Credit under the Great Lakes and Rivers District and Maritime Pension Plan before September 1, 1989, you can retire on an Early Retirement Pension as early as age 50 if your age and your total years of Pension Credit equal at least 75.

- **<u>Disability Pension</u>**: You are eligible for a Disability Pension if you become totally and permanently disabled and have at least 10 years of Pension Credit. The Plan considers you totally and permanently disabled if you are totally and permanently unable, as a result of bodily injury or disease, to engage in any further employment as a Licensed Officer and unable to earn more than $400 a month in any other employment or gainful pursuit.

- **<u>Deferred Vesting Pension</u>**: You are eligible for a Deferred Vesting Pension if you –
  - have at least 10 years of Vesting Service and are not eligible for any other pension; or
  - have less than 10 years of Vesting Service but reach Normal Retirement Age while a participant in the Plan; or
  - have at least 5 years of Vesting Service with at least one day of Covered Employment after December 31, 1998; or
  - have at least 5 years of Vesting Service with at least one day after December 31, 1988, and you are not covered by a Collective Bargaining Agreement.

Benefits under this Plan are not paid automatically. You must apply for your benefit. Please note that you may be subject to severe tax penalties if you do not begin receiving your pension by April 1st following the later of (i) the calendar year in which you reach age 70½ or (ii) the calendar year in which you cease Covered Employment.

How The Amount Of Your Pension Is Determined

1. Regular Pension

The amount of your Regular Pension is based on your Pension Credits and your Pension wages (referred to in this summary as "Pay"), both as of February 28, 2013. In general, your Pay is 1/12th of your average annual earnings from Covered Employment during your highest five years out of the ten years preceding the date of the calculation or March 1, 2013, whichever is earlier. There are, however, a number of special rules and exceptions, which are described in the Glossary entry for "Pay".

The maximum amount of Pay that may be taken into account in determining your Pension is limited for years after 1993. The limits for years before 2006, which are imposed by section 401(a)(17) of the Internal Revenue Code, are not likely to affect your pension. The Plan Office will advise you if they do. The Pay limits for 2006 and later years are described in the section below (page 9) dealing with benefits for service after March 31, 2006.

Your monthly pension amount is the sum of the benefits that you earned during each of the following periods:

- Before April 1, 2006;
- From April 1, 2006, through April 30, 2010
- From May 1, 2010, through February 28, 2013.

Benefit for Service Prior to April 1, 2006

Your monthly pension amount is either a percentage of your Pay or a flat monthly amount, based on your years of Pension Credit. For this purpose, your Pay is determined as of March 31, 2006, ignoring all earnings after that date.

The percentage of Pay used to determine your pension amount depends on your age when your pension begins and how many

Pension Credits you earned before April 1, 2006.

- If you earned at least 30 Pension Credits before April 1, 2006, *and* you are at least 60 years old when your pension begins (whether it begins before or after April 1, 2006), the percentage is 66⅔% plus 2⅔% for each Pension Credit above 30.
- In all other cases, the percentage is 2% for each of your first 20 Pension Credits plus 2½% for each Pension Credit above 20.

The flat monthly amount ranges from $325 (if you have at least 20 Pension Credits) to $470 (if you have 30 or more Pension Credits). Because it rarely applies, it is not described here. The Plan Office will take it into account, if necessary, when you apply for a pension.

Example: Frederick retires in 2012 at age 59. He earned 25 Pension Credits through March 31, 2006. His average monthly Pay, based on earnings through March 31, 2006, was $4,000. His benefit for the period before April 1, 2006, is –

- 2% × 20 Pension Credits + 2½% × 5 Pension Credits = 52½%, times
- $4,000 =
- $2,100

Frederick will receive $2,100 a month for the rest of his life, plus whatever pension he earned for service on and after April 1, 2006. This amount is subject to adjustments for Survivors' Options and/or Cost of Living Adjustments, if applicable.

Example: Mitchell retires in 2012 at age 62. He earned 32 Pension Credits through March 31, 2006. His average monthly Pay was $4,000. His benefit for the period before April 1, 2006, is –

- 20 x 2% + 12 x 2 2/3% = 72%, times
- $4,000 =
- $2,880

MItchell will receive $2,880 a month for the rest of his life, plus whatever pension he earned for service on and after April 1, 2006. This amount is subject to adjustments for Survivors' Options and/or Cost of Living Adjustments, if applicable.

Benefit for Service Between April 1, 2006, and April 30, 2010

The benefit formula described above is for Pension Credit for service prior to April 1, 2006. For service during the period from April 1, 2006, through April 30, 2010, the pension amount is 2% of Pay, ignoring all earnings before April 1, 2006, multiplied by Pension Credits earned during that period. This amount is added to the March 31, 2006, pension amount.

If you had 30 or more years of Pension Credit as of April 1, 2006, and your pension begins when you are at least 60 years old, the formula for participants with 30 or more Pension Credits is used to calculate the pre-April 1, 2006, portion of your pension amount, even if you were not yet 60 on March 31, 2006.

Example: Pete had 31 years of Pension Credit as of March 31, 2006, and was then 54 years old. His pay, calculated as of March 31, 2006, was $4,000 a month. Between April 1, 2006, and April 30, 2010, he earned 4.5 additional Pension Credits. His average monthly Pay during that period was $4,200 a month. His pension amount as of April 30, 2010, is calculated as follows:

<u>If his pension begins before age 60</u>:

- Pre-April 1, 2006: 67½% × $4,000 = $2,700
- Post-March 31, 2006: 4.5 Pension Credits × 2% × $4,200 = $378

<u>If his pension begins at age 60 or later</u>:

- Pre-April 1, 2006: 69⅓% × $4,000 = $2,773

- Post-March 31, 2006: 4.5 Pension Credits × 2% × $4,200 = $378

In each case, the pension amount will be increased for Pension Credits earned after April 30, 2010.

Pay Limit: Limits apply to the Pay used for determining your average Pay for the period after March 31, 2006. These limits are as follows:

Pension Credits	Pay Limit (per year)
Up to 20	$90,000
> 20 to < 25	$105,000
> 25	$120,000

Example: Manny, a Participant with more than 25 Pension Credits, earned $125,000 during the year 2009. Only $120,000 is taken into account to determine Manny's Pay for purposes of calculating his pension amount.

The Pay limit for each calendar year depends on how many Pension Credits you have accumulated on the first day of that year.

Benefit for Service Between May 1, 2010 and February 28, 2013

Your service during the period beginning on May 1, 2010 and ending on February 28, 2013 is calculated in the same manner as for service after March 31, 2006, except that the percentage is 1.75% for each Pension Credit.

Example: Ron began working in Covered Employment in 1990 and continues working until 2020, when he retires at age 60. He earns one Pension Credit each year. His Pay was $6,000, calculated as of March 31, 2006, and $8,000, calculated as of February 28, 2013. His pension amount is –

- Period before April 1, 2006: 15.25 Pension Credits × 2% × $6,000 = $1,830.00
- Between April 1, 2006, and April 30, 2010: 4.08 Pension Credits × 2% × $8,000 = $652.80
- Between May 1, 2010 and February 28, 2013: 2.83 Pension Credits × 1.75% × $8,000 = $396.20

Ron's total pension amount is $2,879.00. If he receives his pension in Life Annuity form, that is the monthly amount that he will receive for life. The monthly amount will be less if he receives a Husband-and-Wife Annuity or another optional form of benefit. He may also be entitled to receive a pension from the MM&P Adjustable Pension Plan for service after February 28, 2013.

2. Reduced Pension

You may receive a Reduced Pension if you do not qualify for a Regular Pension but begin receiving your pension at or after age 65 and have at least 15 Pension Credits (including Pension Credits earned after February 28, 2013). The amount of your monthly pension benefit is calculated in the same way as a Regular Pension.

Example: Robert earned 9.5 Pension Credits before March 31, 2006, and his Pay as of that date was $3,000. He earned another 3.25 Pension Credits between April 1, 2006, and April 30, 2010. Between May 1, 2010 and February 28, 2013, he earned 1.25 Pension Credits. After February 28, 2013, he earns two more Pension Credits. His Pay as of March 1, 2013 was $3,500. He begins receiving his pension in 2020 at age 65. His pension amount is –

- Period before April 1, 2006: 9.5 Pension Credits × 2% × $3,000 = $570.00
- Between April 1, 2006, and April 30, 2010: 3.25 Pension Credits × 2% × $3,500 = $227.50
- After April 30, 2010: 1.25 Pension Credits × 1.75% × $3,500 = $76.56

Robert's total pension amount is $874.06. Although he had only 14 Pension Credits as of March 1, 2013, he qualifies for a Reduced Pension because he accumulated a total of 16 Pension Credits when those after the freeze date are counted. If he receives his pension in Life Annuity form, that is the monthly amount that he will receive for life. The monthly amount will be less if he receives a Husband-and-Wife Annuity or another optional form of benefit.

3. Early Retirement Pension

If you begin receiving an Early Retirement Pension between ages 60 and 64, your pension amount is determined as follows:

- calculate the amount of the pension as if you were age 65, using either the Regular Pension or the Reduced Pension formula, whichever would apply at age 65;

- reduce that amount by ½% for each month you are younger than age 65;

- round the result up to the next higher multiple of fifty cents.

Example: Robert (in our previous example) would have a Reduced Pension at age 65 of $874.06, but he decides to retire at age 62, 36 months before his 65th birthday. His benefit will be calculated as follows:

(½% × 36 months) = 18% x $874.06 = $157.33 reduction

$874.06 - $157.33 = $716.73 rounded to $717.00.

Robert will receive an Early Retirement Pension of $717.00 a month starting at age 62 and continuing for the rest of his life. This amount is subject to adjustments for Survivor's Options and/or Cost of Living Adjustments, if applicable.

An Early Retirement Pension can begin before age 60 if you have at least 20 Pension Credits but begin receiving your pension before you qualify for a Regular Pension. That will be the case if you are not yet 55 years old *or* your age and Pension Credits do not total at least 80. The reduction for this type of Early Retirement Pension is calculated by the Plan Office based on actuarial assumptions specified in the Plan. You may contact the Plan Office for additional information if this option is pertinent to you.

4. Disability Pension

The monthly amount of a Disability Pension is the greatest of –

- $16.25 multiplied by your years of Pension Credit as of February 28, 2013, up to 20 years; or

- the Actuarial Equivalent of the pension amount to which you would be entitled at your Normal Retirement Age; or

- the Regular, Reduced or Early Retirement Pension for which you may be eligible on the date of your retirement.

Definitions of "Actuarial Equivalent" and "Total and Permanent Disability" are provided in the Glossary section in the back of this booklet.

No Disability Pension is payable for any disability resulting from:

- service in the Armed Forces of the United States, if you're entitled to a military disability pension, or

- service in the Armed Forces of any other country.

5. Deferred Vesting Pension

The monthly amount of a Deferred Vesting Pension is calculated in the same manner as a Reduced Pension, except that no Pension Credits are taken into account for any calendar year in which you are credited with fewer than 87 Days of Service.

Example: Mike has the following history of Covered Employment:

Year	Days of Service	Pension Credits
2007	300	1.0
2008	130	0.5
2009	156	0.6
2010	78	0.3
2011	235	0.9
2012	104	0.4

When Mike reaches age 65 (his Normal Retirement Age), he applies for a Deferred Vesting Pension. His Pay is $4,500. He qualifies for a pension, because he has five years of Vesting Service. He has a total of 3.4 Pension Credits – not 3.7, because 2010, when he had fewer than 87 Days of Service is ignored. His pension amount is –

- Service between April 1, 2006, and April 30, 2010: 2.1 Pension Credits × 2% × $4,500 = $189.00
- Service between May 1, 2010 and February 28, 2013. 1.3 Pension Credits × 1.75% × $4,500 = $102.38

Mike's total pension amount is $291.38. If he receives his pension in Life Annuity form, that is the monthly amount that he will receive for life. The monthly amount will be less if he receives a Husband-and-Wife Annuity or another optional form of benefit.

Cost of Living Adjustments

Note: Individuals who became participants in the plan on or after March 1, 2006, are not eligible to receive any Cost of Living Adjustment to their pension benefits, unless specifically approved by the Trustees. The following provisions apply to you only if you became a participant in the plan before March 1, 2006.

Each January 1, if the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI) for the period July 1 through June 30 increases by 3% or more, monthly pension payments to pensioners and to surviving Qualified Spouses[2] will be increased as explained below. If the CPI does not increase by 3% or more, the monthly pension amount will not be adjusted.

In each year in which there is any Cost of Living Adjustment, the following procedure will be used to determine how large an adjustment each eligible Pensioner or Qualified Spouse receives:

- The Trustees will calculate the aggregate dollar amount of the increases that would be granted if all eligible Pensioners and Qualified Spouses received a 3% increase in their monthly pensions.

- The total amount thus determined will be allocated in proportion to the eligible recipients' Pension Credits (the Pension Credits of the deceased Pensioner in the case of a Qualified Spouse). Pension Credits with respect to which a Pensioner received a lump sum distribution under either the Lump Sum Payment Option or the Partial Lump Sum Payment Option will be disregarded.

Note: The procedure for making Cost of Living Adjustments was different in years before 2010.

To be eligible for the Cost of Living Adjustment, you must have accumulated at least four quarters of Pension Credit after June 16, 1975, and you or your surviving Qualified Spouse may not have earnings in the

[2] A spouse or ex-spouse receiving pension benefits under a QDRO may be eligible to receive a COLA, if the QDRO provides for dividing any COLA for which the Pensioner becomes eligible.

prior year in excess of the maximum annual amount of income that can be earned without a reduction in Social Security benefits for Social Security recipients who have no reached Social Security retirement age.

Pensioners with 20 or more years of Pension Credit or their surviving Qualified Spouses may have earnings up to $32,000 in the prior calendar year, and remain eligible for a Cost of Living Adjustment for that year:

For purposes of applying these rules, "Earnings" means wages, earned income or remuneration or compensation for services, whether reported on a Form W-2 or Form 1099, and includes vacation or severance pay, payment for unused sick leave, fees and commissions, but does not include passive investment income such as dividends, interest, capital gains, rents or royalties.

A Pensioner or surviving Qualified Spouse is entitled to a total of no more than 10 Cost of Living Adjustments, not more than one of which may be for a year after 2010.

For more details about the Cost of Living Adjustments, contact the Plan Office.

How Your Benefit Is Paid

The MM&P Pension Plan offers a variety of payment options for payment of your retirement benefit. You may choose the payment form that best suits your circumstances. This is a very important decision and we urge you to consult with a financial advisor or tax advisor before you elect your payment form. **If you do not elect an optional form**, your benefit will be paid in one of the standard forms described below depending upon your marital status at the time you retire. You may change your choice of payment option any time **before** your pension effective date. **Once you start receiving pension benefits, however, you cannot change your payment option**.

There are certain requirements for your spouse to be eligible to receive a portion of your pension. Refer to the definition of Qualified Spouse in the Glossary section of this booklet.

Before you retire, the Plan Office will provide you with a calculation of each payment option and information concerning your benefits.

Election Period

Your election of a payment option must be made no more than 180 days, and no fewer than 7 days, before the date on which your pension begins. You may change your mind and elect a different option at any time during that period.

Once you begin to receive pension payments under any option under the Plan, your payment option cannot be changed or revoked, even if you decide that another option is more beneficial to you or your circumstances change. For example, you cannot choose a different option if you divorce your spouse or your spouse dies before you or if you were unmarried at your pension starting date and get married later.

If the present value of your Pension benefit is $1,000 or less, it will be paid to you in a single-sum payment. The present value of your pension benefit is determined using actuarial assumptions.

Standard Forms of Payment

Unmarried Participants
Life Annuity with 60-Month Guarantee Pension
If you are not married to a Qualified Spouse on the date when your pension begins, the standard form of payment is a pension for your life only with a 60-Month Guarantee, if you are survived by a spouse who is not

your Qualified Spouse, a dependent child or a dependent parent. Whether the survivor is your dependent is determined under the Rules and Regulations of the M.M.&P. Health & Benefit Plan.

This form of payment guarantees monthly payments throughout your lifetime and, if you die *before* receiving 60 months of payments, the balance of those payments (up to 60) will be paid to your surviving spouse, dependent child or dependent parent. If more than one person falls into that group, you may designate which one will receive the payments. If you do not make a designation, the order of preference is spouse, dependent child and dependent parent, with the payments divided among the members of the class, if necessary. If you have no spouse, dependent children or dependent parents at the time of your death, no payments are made to anyone after you die.

Example: Jeffrey is not married at the time when his pension begins. He is entitled to a pension benefit of $1,970 per month. He dies after receiving 10 months of pension payments and is survived by two dependent children, Joseph and Mary. The Plan will continue paying benefits to the children for 50 months. Unless Jeffrey made a different designation, the payments will be divided equally between the children, so that each will receive $985 per month.

Participants Married for Less Than One Year: If you are married when your pension begins but your spouse is not your Qualified Spouse because you have not been married for at least one year, your pension will initially be paid as a 50% Husband and Wife Pension. If you die before you have been married for one year, the form will be changed to a Life Annuity with 60-Month Guarantee, and the additional monthly amounts that you would have received under that form will be paid to your beneficiary or, if you have not designated a beneficiary, to your next of kin, as ascertained by the Trustees. If you die after you have been married for at least one year, your spouse will receive the benefits described below for married participants under the 50% Husband and Wife Pension.

Married Participants

If you are married to a Qualified Spouse on the date when your pension begins, you will receive your pension in the form of a <u>50% Husband and Wife Pension</u>, unless you *and your spouse* agree to another form of payment. If you wish to reject this standard payment form, you must obtain your spouse's written, notarized consent not earlier than 180 days before your effective date of pension. The Plan Office will, upon request, send you the form to be used for this purpose.

50% Husband and Wife Pension

Under this payment form, you will receive an adjusted monthly benefit for life. If you die first, payments will continue to your Qualified Spouse at 50% of the monthly amount that you were receiving. All payments end after you and your spouse are both deceased.

Your pension will be the monthly amount you are entitled to receive, actuarially reduced in order to provide a continuing benefit to your spouse. The amount of the reduction depends on your age and your spouse's age when you retire. Actuarial tables are used for this calculation.

Example: Jack is entitled to a gross monthly pension benefit of $1,970. He accepts the default 50% Husband and Wife Pension. Based on his age and the age of his wife Jill, his net pension benefit will be $1,760 during his lifetime. (The actuarial adjustment of $210 pays for this option.)

- If Jack dies before Jill, she will receive $880 per month for the rest of her lifetime.

- If Jill dies before Jack, he will continue to receive $1,760 per month

- for his lifetime, and payments will end at his death.

Note: If you accrued Pension Credit under the Great Lakes and Rivers District and Maritime Pension Plan before September 1, 1989, you may, with your spouse's written, notarized consent, designate an individual other than your spouse to receive survivor benefits under the 50% or 100% Husband or Wife Pension. If this option is available to you, contact the Plan Office for more information.

Optional Forms of Payment

In addition to the 50% Husband and Wife Pension described above, the Plan offers the following optional forms of payment. You may elect an optional form of payment only with your Qualified Spouse's written, notarized consent.

75% Husband and Wife Pension

The 75% Husband and Wife Pension provides you with a reduced pension during your lifetime. When you die, your spouse continues receiving the same amount for the rest of his or her lifetime.

Example: Jack is entitled to a $1,970 gross monthly pension benefit. With the consent of his wife Jill, he opts for the 75% Husband and Wife Pension. Based on his and Jill's ages, the net monthly benefit payable for his lifetime will be $1,668.

- If Jack dies before Jill, she will receive $1,251 per month for the rest of her lifetime.
- If Jill dies before Jack, he will continue to receive $1,668 per month for his lifetime, and payments will end at his death.

100% Husband and Wife Pension

The 100% Husband and Wife Pension provides you with a reduced pension during your lifetime. When you die, your spouse continues receiving the same amount for the rest of his or her lifetime.

Example: Jack is entitled to a $1,970 gross monthly pension benefit. With the consent of his wife Jill, he opts for the 100% Husband and Wife Pension. Based on his and Jill's ages, the net monthly benefit payable for his lifetime will be $1,576.

- If Jack dies before Jill, she will receive $1,576 per month for the rest of her lifetime.
- If Jill dies before Jack, he will continue to receive $1,576 per month for his lifetime, and payments will end at his death.

50% Pop-Up Option

This option is the same as the 50% Husband and Wife Pension, except that if your spouse dies before you, your monthly benefit will be increased to the full amount prior to any reductions for this option, starting with the monthly benefit payment following your spouse's death.

Example: Jack is entitled to a $1,970 gross monthly pension benefit. With the consent of his wife Jill, he opts for the 50% Pop Up Option. Based on his and Jill's ages, the net monthly benefit payable for his lifetime will be $1,755.

- If Jack dies before Jill, she will receive $877.50 per month for the rest of her lifetime.
- If Jill dies before Jack, he will receive $1,970 per month for the rest of his lifetime, beginning with the month following Jill's death. Payments will end at Jack's death.

75% Pop-Up Option

This option is the same as the 75% Husband and Wife Pension, except that if your spouse dies before you, your monthly benefit will be increased to the full amount prior to any reductions for this option, starting with the monthly benefit payment following your spouse's death.

Example: Jack is entitled to a $1,970 gross monthly pension benefit. With the consent of his wife Jill, he opts for the 75% Pop Up Option. Based on his and Jill's ages, the net monthly benefit payable for his lifetime will be $1,652.

- If Jack dies before Jill, she will receive $1,239 per month for the rest of her lifetime.
- If Jill dies before Jack, he will receive $1,970 per month for the rest of his lifetime, beginning with the month following Jill's death. Payments will end at Jack's death.

100% Pop-Up Option

This option is the same as the 100% Husband and Wife Pension, except that if your spouse dies before you, your monthly benefit will be increased to the full amount prior to any reduction for this option, starting with the monthly benefit payment following your spouse's death.

Example: Jack is entitled to a $1,970 gross monthly pension benefit. With the consent of his wife Jill, he opts for the 100% Pop Up Option Based on his and Jill's ages, the net monthly benefit payable for his lifetime will be $1,552 for his lifetime.

- If Jack dies before Jill, she will receive $1,552 per month for the rest of her lifetime.

- If Jill dies before Jack, he will receive $1,970 per month for the rest of his lifetime, beginning with the month following Jill's death. Payments will end at Jack's death.

Life Annuity with 60-Month Guarantee for Married Participants

This form of payment is the same as the Standard Form for unmarried participants. If you elect this option, your spouse must provide written, notarized consent to reject the Husband and Wife Pension.

Example: Jack is entitled to a $1,970 gross monthly pension benefit. With the consent of his wife Jill, he opts for the Life Annuity with 60-Month Guarantee.

- If Jack dies before receiving 60 monthly pension payments, payments will continue to Jill (or to a dependent child or parent, if Jack has made that designation with Jill's consent) at the rate of $1,970 per month until 60 payments have been made.

- If Jack receives at least 60 payments, he will continue to receive $1,970 per month until he dies. Payments will end at his death.

Social Security Level Income Option

Effective as of May 1, 2010, the previous Social Security Level Income Option is no longer available.

Partial Lump-Sum Payout

Effective as of May 1, 2010, the previous Partial Lump-Sum Payout Option is no longer available. Lump sum payments are now made only if the actuarial value of your benefit if $1,000 or less.

Lump-Sum Payment Option

Effective as of May 1, 2010, the previous Lump-Sum Payment Option for benefits accrued before January 1, 1996, is no longer available.

Benefits for Your Survivors

Your Qualified Spouse or your other survivors may be entitled to a pension benefit from this Plan upon your death before you begin receiving your pension.

If Your Death Occurs Before Your Retirement

a. Preretirement Surviving Spouse Pension <u>Before</u> Age 55

If you die before reaching age 55 and you were eligible for a Pension at the time of your death, your Qualified Spouse can receive a 50% Preretirement Surviving Spouse Pension. This benefit equals the survivor benefit under the 50% Husband and Wife Pension, calculated as if you had retired the day before your death.

The Surviving Spouse Pension will begin on the first day of the month following your spouse's application for benefits. The application may be filed –

- immediately after your death, if you were eligible for a Regular Pension or Early Retirement Pension at that time, or
- as soon as you would have reached the earliest age at which you could have begun receiving a pension.

Example: Richard was born on June 15, 1955, and had accrued 16.75 Pension Credits at the time of his death at age 50 in June 2005, earning a pension amount of $2,000 per month. His wife Anne will be eligible to begin receiving a Surviving Spouse Pension on July 1, 2015, when Richard would have reached age 60 and met the age and service requirement for an Early Retirement Pension. If she elects to begin receiving her pension on that date, it will be reduced by ½% for each month before Richard would have attained age 65, that is, by 30% (60 months × ½%), so that she would receive $700 per month (half of $2,000, reduced by 30%). Anne could wait until July 1, 2020, when Richard would have been 65, to start receiving her pension. In that case, she would receive $1,000 per month for her lifetime.

Example: William was born on September 25, 1958. At the time of his death on January 8, 2012, he had 26 Pension Credits and had earned a pension amount of $5,000 per month. Because his age (54) and Pension Credits (26) totaled 80, he was eligible for a Regular Pension. Therefore, his widow, Kate, can start receiving a Surviving Spouse Pension of $2,500 per month on February 1, 2012 for her lifetime.

If the present value of the Preretirement Surviving Spouse Pension benefit is not more than $1,000, it will be paid to your surviving spouse in a single-sum payment. The present value of the benefit is determined using actuarial tables.

Special Rule for Disability Pensions: If a Participant met the conditions for a Disability Pension at least 150 days before his death, but had not yet begun receiving a pension when he died, the Surviving Spouse Pension is calculated as if he had begun receiving a Disability Pension immediately before he died. Otherwise, the fact that he might have been able to receive a Disability Pension is ignored.

Optional 100% Preretirement Surviving Spouse Pension

You may elect to have the Surviving Spouse Pension calculated as if you had chosen the 100% Husband and Wife Pension. This election will be effective only if you are eligible for a Regular Pension or a Disability Pension at the time of your death. Your spouse must consent to the election. It does not become effective until it has been on file for 24 months, unless your death is due to an accident.

The Plan imposes a charge if you elect this option. This charge is a reduction in your pension amount of one cent for each $10 of monthly benefit, multiplied by the number of full or partial calendar years that the survivor protection was in effect. You may avoid this charge by waiving the Preretirement

Surviving Spouse Pension, as described below.

Example: Andrew, who was born on October 8, 1955, became a participant in the Plan in 1980. On July 4, 1995, he married Sarah. On June 1, 1999, he elected the Optional 100% Preretirement Surviving Spouse Pension. The election became effective on June 1, 2001. Andrew retires and begins receiving a pension on November 1, 2015. His pension amount is $3,500 per month, reduced by the charge for Sarah's preretirement survivor protection. That charge is imposed for full or partial calendar years during which the coverage was in effect and Andrew was not yet 55 years old as of the start of the year. Thus it applies to the years 2001 through 2010 (10 years). The amount of the charge is –

$$10 \times \$0.01 \times \$3{,}500/\$10.00 = \$35.00$$

Therefore, Andrew's gross net pension amount, before any adjustment for the form of benefit, is $3,465 per month rather than $3,500.

b. Preretirement Surviving Spouse Pension After Age 54

If you die on or after reaching age 55 and you were eligible to begin receiving a pension at the time of your death (but had not yet begun to receive it), your spouse will receive a lifetime pension equal to the survivor annuity under the 100% Husband and Wife Pension, calculated as if you had retired and begun receiving your pension in that form immediately before your death.

Example: At the time of his death, Philip was 60 years old with 22 Pension Credits. He was therefore eligible for a Regular Pension. His pension amount was $4,000 per month. If he had retired and elected a 100% Husband and Wife Pension, his benefit would have been $3,200 per month. Elizabeth, his surviving Qualified Spouse, may begin receiving a pension of $3,200 per month, beginning on the first day of the month following Philip's death.

If you were not eligible to begin receiving pension payments at the time of your death, your spouse will receive a lifetime pension equal to the survivor annuity under the 50% Husband and Wife Pension, calculated as if you had retired and begun receiving your pension in that form immediately before your death. This pension will begin when you would have become eligible for receive it if you had lived.

Example: At the time of his death, James was 60 years old with 12 Pension Credits. He was not eligible to begin receiving a pension immediately but had met the conditions for a Reduced Pension starting at age 65. His pension amount was $1,500 per month. If he had begun receiving his pension at age 65 in the form of a 50% Husband and Wife Pension, the monthly benefit would have been $1,340 during his lifetime and $670 to his surviving Qualified Spouse after his death. His widow Jacqueline will begin receiving a Surviving Spouse Pension of $670 per month, beginning on the first day of the month after what would have been James' 65th birthday.

Waiver of Preretirement Surviving Spouse Pension

You may, with your spouse's written, notarized consent, waive the Preretirement Surviving Spouse Pension.

You may not waive the Preretirement Surviving Spouse Pension before you reach age 35.

If you die after waiving the Preretirement Surviving Spouse Pension, your surviving Qualified Spouse will receive the same benefits as if you had retired immediately before your death and had elected to receive your pension in the form of a Life Annuity with 60 Month Guarantee. (See page 15 for a description of that form of pension.) You may select a different beneficiary (a dependent parent or child) with your Qualifying Spouse's consent.

Postponed Payment of Preretirement Surviving Spouse Pension

Your surviving spouse may postpone the commencement of the Preretirement Surviving Spouse Pension to a later date than the normal commencement date, but no later than the date you would have reached Normal Retirement Age had you lived. If for some reason benefits have not already begun by Normal Retirement Age, payment of the pension must start no later than December 1st of the calendar year in which you would have reached age 70½ or, if later, December 1st of the calendar year following the year of your death.

For further information concerning this option, contact the Plan Office.

c. Preretirement Survivor Benefits for Unmarried Participants

If you die when you are eligible to begin receiving a pension (but have not yet begun to receive it) and do not have a Qualified Spouse, benefits may be payable for up to five years as if you had retired immediately before you died. Your beneficiary may be a dependent child or dependent parent, or a spouse who is not a Qualified Spouse but meets the conditions for being classified as a dependent under the MM&P Health & Benefit Plan. (See page 15 for a description of the 60 Month Guarantee.)

After Your Retirement

If you die after you start receiving benefits, your Qualified Spouse will receive a monthly benefit if you elected a payment option that provides for payments to continue after your death.

Death Benefit

If you die while receiving a pension and either (i) were eligible at the time of your death for benefits under the Co-Pay Program of M.M.& P. Health and Benefit Plan or (ii) began receiving your pension before August 1, 1987 (unless it was a Deferred Vesting Pension or you did not have at least 400 days of Covered Employment in the last three calendar years prior to retirement, your designated beneficiary is entitled to a death benefit based on your age when you die.

Age	Death Benefit
Under 55	$ 1,000
Age 55 - 59	$10,000
Age 60 - 64	$ 5,000
Age 65 & Over	$ 1,500

The death benefit is paid in monthly installments. Each installment is equal to the monthly pension that you would have received if you had retired immediately before your death and were receiving your pension in the form of a Life Annuity, minus any survivor pension being paid to your Qualifying Spouse or to your beneficiary under the 60 Month Guarantee. Monthly payments of the death benefit will continue until the amount paid equals the amount shown in the table above, without interest.

If your spouse dies before you, you can elect to receive $500 from your death benefit, which reduces the amount payable to any other beneficiary when you die.

How Do I Apply For A Pension?

In order to apply for pension, you must file an application with the Plan Office by the last day of the calendar month preceding your pension effective date.

Example: Tom wishes to begin receiving his pension in August 2012. His application must be <u>received</u> by the Plan Office by July 31, 2012 at the latest. His pension effective date will be August 1, 2012. Payment of his benefit may be delayed until the Plan Office completes the processing of his application. If, for instance, processing is completed on September 10, 2012, he will receive his pension checks for August and September on October 1, 2012, along with his October check.

DOCUMENTATION REQUIRED

When you apply for a pension, you need to provide any information or proof requested by the Trustees that may be necessary to process your pension. You will be required to supply the following documents:

⇒ Pension Application, including –
  ⇒ proof of age for both you and your spouse
  ⇒ marriage certificate or divorce decree (if you were previously married)
⇒ Authorization for the release of your Coast Guard Records to the Plan Office
⇒ Certification that you meet the Plan's definition of Retirement (see below)
⇒ Election of form of benefit
⇒ Co-Pay Requirement Authorization for the MM&P Health and Benefit Plan (Optional)
⇒ Spousal Consent (if you are married and elect a form of benefit other than a 50% Husband and Wife Pension)

- To be eligible to Health Benefits after retirement, a Co-Pay Contribution to the MM&P Health and Benefit Plan is required.

The Trustees may request additional information. Failure to comply with the Trustees' requests will be sufficient grounds for delaying the commencement of your benefits until such time as all information is received.

DEFINITION OF RETIREMENT

To be considered "retired," you must –

> completely withdraw from any employment aboard any vessel or vessels whatsoever,

> your accumulated vacation period must elapse, and

> your Return-To-Work Date must have been reached.

You are permitted, however, to receive your pension and work in Permissible Employment, as described below.

In general, employment outside the maritime industry does not prevent you from collecting a pension, except that earned income from any source may affect your eligibility cost-of-living adjustments. (See page 11.)

Permissible Employment

A Pensioner is authorized, without penalty, to accept employment, other than Covered Employment, aboard:

> Mercy Ships
> Offshore Oil Drilling Vessels
> Exploration and Research Vessels
> Vessels whose Operations are ancillary to offshore oil operations
> Supply boats
> Oil Drilling Rigs
> Vessels 300 feet or less in length
> Any vessels covered by collective bargaining agreements with, or manned by personnel represented by, Membership Groups affiliated with the I.O.M.M.&P.

A Pensioner who worked as a licensed engineer before retirement and retired because he was unable to find work owing to the limited number of billets available for that rating is authorized, without penalty, to accept employment, other than Covered Employment, aboard any vessel.

A Pensioner is authorized, without penalty, to accept employment, including Covered Employment, aboard any military vessels manned pursuant to a federal government contract and covered by collective bargaining agreements with or manned by Membership Groups affiliated with the I.O.M.M.&P.

Prior written authorization for each job assignment must be obtained through the Offices of the Organization, with written notice of such employment being furnished to the Board of Trustees.

What If I Return To Work After I Retire?

With the exceptions of Permissible Employment described above, you are restricted from working in the Maritime Industry if you are receiving benefits from the Pension Plan. These restrictions limit you from –

- working aboard any vessel whatsoever; or
- working in the Maritime Industry in a job that would otherwise be considered Covered Employment.

Suspension of Benefits

If you work in the Maritime Industry under any of the above circumstances, your benefits will be suspended. The rules governing when your suspension starts and how long it lasts depend upon your age, as discussed below.

Before Normal Retirement Age

If you return to work aboard any vessel whatsoever (except for Permissible Employment, as described above), your benefits from this Plan will be suspended for the longer of –

- the months in which you are working aboard the vessel, including earned vacation time, plus six months following the month in which your work aboard the vessel ends, or
- twice the number of months of your actual employment aboard the vessel, including earned vacation time.

However, your benefits will not be suspended beyond the date you reach Normal Retirement Age, as defined in the Glossary at the back of this booklet, except as described below.

Normal Retirement Age or Later

If you are Normal Retirement Age or older and you return to work aboard any vessel (except for Permissible Employment), your benefits will be suspended for any month in which you work aboard the vessel for five or more days.

What Can I Do If I Am Denied A Pension? Right To Appeal

In order to file a claim for pension benefits, you must follow the pension application procedures described above. If, after filing a claim, your pension is denied, in whole or in part, you will have the right to file a written appeal, as described below. Your claim may be filed by you or by your authorized representative.

Non-Disability Pensions

The Plan Office will review your claim after it is received. If your claim for pension benefits is denied, the Plan Office will send you a notice of denial, which will include –

- the specific reasons why your claim was denied,
- specific references to the Plan provision(s) on which the denial was based,
- a description of any additional material or information necessary to perfect your claim,
- information regarding the Plan's appeal procedure (including applicable time limits), and
- a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974 (ERISA), if your claim is denied on review.

Generally, the notice of denial will be provided to you no later than 90 days after the

Plan Office receives your claim, unless special circumstances require an extension of time for processing your claim. If such special circumstances exist, written notice of the extension will be provided to you prior to the end of the 90 days, and the notice will explain the circumstances requiring an extension, as well as the date by which the Plan Office expects to render a decision on your claim.

If your claim is denied, and you wish to appeal the decision, your appeal must be filed within 60 days after your receipt of the Plan's written denial notice. You or your authorized representative must file your appeal in writing and submit it to the Board of Trustees at the following address:

MM&P Pension Plan
700 Maritime Boulevard Suite A
Linthicum Heights, Maryland 21090

Your appeal must state your name, address, the fact that you are appealing the Plan Office's initial decision, and the basis of your appeal. If you file an appeal within the required time frame, you or your authorized representative will have the right to review pertinent documents at the Plan Office and to submit written comments, documents, records or other information related to your claim.

Normally, the Board of Trustees will review your appeal at its first regularly scheduled meeting after it receives your appeal. However, if the appeal is received less than 30 days before a meeting, the appeal will be reviewed at the second regularly scheduled meeting of the Board after receiving your appeal. If special circumstances require an extension of time for processing your appeal, written notice of the extension will be provided to you prior to the commencement of the extension. Notification of the Board of Trustees' decision on your appeal will be sent to you as soon as possible after a decision has been made, but not later than 5 days after the decision is made. In no case will the period for rendering a decision on your appeal be extended beyond the date of the third regularly scheduled meeting of the Board of Trustees following receipt of your written appeal.

The Trustees' decision will be sent to you in writing. If your appeal is denied, notice of the decision will include:

- the specific reasons on which the Board of Trustees' denial was based,
- specific references to the Plan provision(s) on which the denial was based,
- a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim, and
- a statement of your right to bring a civil action under Section 502(a) of ERISA.

The decision of the Board of Trustees is final and binding on all concerned. You must fully exhaust the administrative remedies under the Plan's claim procedures outlined in this booklet prior to filing a suit.

Disability Pensions
If your claim is for a Disability Pension, the Plan Office will review your claim within 45 days after receiving it. If special circumstances require an extension of time for processing your claim, written notice of the extension will be provided to you prior to the end of the 45 days. The Plan Office may extend the review period for up to 30 days, followed by a second extension of up to 30 days, if necessary to determine your claim. A notice of extension will include a statement of the standards on which entitlement for a Disability Pension is based, any unresolved issues that prevent a decision on your claim, and the additional information needed to resolve the issues. You will have 45 days to provide any specific information

needed by the Plan Office, after it is requested.

If your claim for Disability Pension benefits is denied, the Plan Office will send you a notice of denial, which will include –

- the specific reasons why your claim was denied,
- specific references to the Plan provision(s) on which the denial is based,
- a description of any additional material or information necessary to perfect your claim,
- a copy of any rule, guideline or criterion relied upon in making the adverse determination (or a statement that such information is available, free of charge upon request),
- an explanation of the medical judgment for the determination, if the determination is based on medical necessity, experimental treatment or another limitation (or a statement that such information is available, free of charge upon request),
- information regarding the Plan's appeal procedure (including applicable time limits), and
- a statement of your right to bring a civil action under Section 502(a) of ERISA, following a denial on review.

If your claim is denied, and you wish to appeal the decision, your appeal must be filed within 180 days from your receipt of the Plan's written denial notice. You or your authorized representative must file your appeal in writing, and submit it to the Board of Trustees at the following address:

MM&P Pension Plan
700 Maritime Boulevard, Suite A
Linthicum Heights, Maryland 21090

Your appeal must state your name, address, the fact that you are appealing the Plan Office's initial decision, and the basis of your appeal. If you file an appeal within the required time frame, you or your authorized representative will have the right to review pertinent documents at the Plan Office and to submit written comments, documents, records or other information related to your claim.

Normally, the Board of Trustees will review your appeal at its first regularly scheduled meeting after it receives your appeal. However, if the appeal is received less than 30 days before a meeting, the appeal will be reviewed at the second regularly scheduled meeting of the Board after receiving your appeal. If special circumstances require an extension of time for processing your appeal, written notice of the extension will be provided to you prior to the commencement of the extension. Notification of the Board of Trustees' decision on your appeal will be sent to you as soon as possible after a decision has been made, but not later than 5 days after the decision is made. In no case will the period for rendering a decision on your appeal be extended beyond the date of the third regularly scheduled meeting of the Board of Trustees following receipt of your written appeal.

The Trustees' decision will be sent to you in writing. If your appeal is denied, notice of the decision will include:

- the specific reasons on which the Board of Trustees' denial was based,
- specific references to the Plan provision(s) on which the denial was based,
- a copy of any rule, guideline or criterion relied upon in making the adverse determination (or a statement that such information is available, free of charge upon request),

- an explanation of the medical judgment for the determination, if the determination is based on medical necessity, experimental treatment or another limitation (or a statement that such information is available, free of charge upon request),

- a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim, and

- a statement of your right to bring a civil action under Section 502(a) of ERISA.

The decision of the Board of Trustees is final and binding on all concerned. You must fully exhaust the administrative remedies under the Plan's claim procedures outlined in this booklet prior to filing a suit.

Social Security at Retirement

In addition to the Pension Plan, Social Security provides you with another source of retirement income. During your career, both your employer and you contribute to the cost of providing Social Security benefits. You are in most cases eligible to begin collecting Social Security benefits at age 62, but benefits are suspended if your earn more than a specified amount of monthly income. The earnings limitation ends when you reach "Social Security retirement age", which is between 65 and 67, depending upon when you were born.

Because Social Security benefits are another important financial resource during retirement, you should contact your local Social Security office at least three months before the date you plan to retire. That way your pension and your Social Security benefits will begin at the same time.

Maximum Retirement Benefits (415 Limits)

There are certain maximum restrictions established by the Internal Revenue Service on the annual benefits payable from a Pension Plan. If your benefits exceed the maximum, the Plan Office will notify you.

Taxation of Benefits

Benefits that you receive from the Plan are taxable income. The amount paid to you each year will be reported to the Internal Revenue Service on Form 1099-R. Your benefits are exempt from Social Security (FICA) and Medicare (HI) taxes.

Federal tax laws require the Plan to automatically withhold taxes on your monthly pension benefit, just as income taxes are withheld from your wages when you are employed. The amount withheld will depend on your filing status and the number of exemptions you claim. If you do not want taxes withheld from your monthly pension benefits, you may opt out of withholding by completing Form W-4P and submitting it to the Plan Office.

Remember, if you choose not to have taxes withheld from your monthly pension benefits, you will be responsible for paying them when you file your federal tax return. If no taxes are withheld or if the amount withheld is not enough to cover the actual taxes due, you may be required to file estimated taxes.

Plan Continuation

At the present time, the Trustees of the Plan intend to continue this Plan indefinitely, but reserve the right to change or end the Plan, if necessary. If the Plan is terminated and has enough assets to pay all benefits, it will purchase insurance company annuity contracts to provide those benefits or may, in some cases, distribute their value as lump sums. If assets at termination are not sufficient to pay all benefits, benefits will be reduced, but not below the level insured by the Pension Benefit Guaranty Corporation. (See "PBGC Benefit Guarantee" on page 24.)

Assignment or Alienation of Benefits

Your Plan benefits cannot be assigned, transferred or sold for any reason except as provided by law.

In the event of a "Qualified Domestic Relations Order" (Q.D.R.O.), however, Plan benefits may be payable to someone other than your designated beneficiary. A "Qualified Domestic Relations Order" is a court order which provides child support, alimony or marital property rights to a spouse, former spouse, child or other dependent, according to a state domestic relations law.

Also, the Internal Revenue Service has the right to garnish your benefits if you do not pay all of your federal income tax liability.

Forwarding Address

Plan participants, terminated employees who are vested, retirees and beneficiaries who receive benefits should keep the Plan Office informed of their current addresses to assure proper payment of benefits and the receipt of important information concerning the Plan.

Certification of Receipt of Benefits

The Plan Office may from time to time ask persons who are receiving pensions to certify that they are alive and are not employed on any vessel (other than Permissible Employment). If you receive such a request and do not respond, your benefit payments will be suspended until the Trustees determine your status.

PBGC Benefit Guarantee

Benefits under this Plan are insured by the multiemployer insurance program maintained by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. A multiemployer plan is a collectively bargained pension arrangement involving two or more unrelated employers, usually in a common industry.

Under the multiemployer plan program, the PBGC provides financial assistance through loans to plans that are insolvent. A multiemployer plan is considered insolvent if the plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due.

The maximum benefit that the PBGC guarantees is set by law. Currently, under the multiemployer program, the PBGC guarantee equals a participant's years of service multiplied by (1) 100%of the first $11 of the monthly benefit accrual rate and (2) 75% of the next $33. The PBGC's maximum guarantee limit is $35.75 per month times a participant's years of service. For example, the maximum annual guarantee for a retiree within 30 years of service would be $12,870.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan becomes insolvent; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law: (2) benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the earlier of: (i) The date the plan terminates or (ii) the time the plan becomes insolvent; (3) benefits that are not vested because you have not worked long enough; (4) benefits for which you have not met all of the requirements at the time the plan becomes insolvent; and (5) nonpension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

For more information about the PBGC and the benefits it guarantees ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., Suite 930, Washington, DC 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

What Else You Need To Know About Your Plan

The following information concerning your Plan is provided in accordance with governmental regulations. The MM&P Pension Plan is a multiemployer defined benefit pension plan. A Board of Trustees, consisting of Union representatives and Employer representatives who have equal voting strength, is the Administrator of the Plan. The Board of Trustees has been designated as the agent for service of legal process. Process may be served at the Plan Office.

The MM&P Pension Plan was established as a result of collective bargaining agreements. The I.O.M.M.&P. and the Employers want you, as a participant in the Plan, to enjoy its benefits. This booklet describes the Plan and tells you how to get more information. The description of the claims and appeals procedure tells you how to follow up, if necessary.

Contributions to the Plan are made by the employers in accordance with their collective bargaining agreements, participation agreements or contribution agreements. These agreements require contributions to be made to the Plan. Upon written request, the Plan Office will provide employees with information as to whether a particular employer is contributing to the Plan on behalf of its employees.

Benefits are provided from the Plan's assets which are accumulated under the provisions of written agreements and the trust agreements. Plan assets are held in a trust fund for the purpose of providing benefits to covered employees and defraying reasonable administrative expenses.

The Plan assets are currently held in custody by BNY Mellon.

Funding Medium/Contributions to the Plan: The benefits described in this booklet are entirely financed by Employer contributions as a result of collective bargaining agreements between the I.O.M.M.&P. and Employers or other written agreements. Benefits are provided from the Plan's assets, which are held in a trust fund for the purpose of providing benefits, and defraying reasonable administrative expenses.

Plan Year: The records of the Plan are kept on a calendar-year basis.

Complete List of Participating Employers: A complete list of the employers and employee organizations sponsoring the plan may be obtained upon written request to the plan administrator and is available for examination by participants and beneficiaries at the Plan Office. Participants and beneficiaries may receive from the plan administrator, upon written request, information as to whether a particular employer or employee organization is a Contributing Employer under the plan, and if the employer or employee organization is a Contributing Employer, its address.

Collectively Bargained Plan: The plan is maintained pursuant to one or more collective bargaining agreements ("CBAs"), and copies of the CBAs may be obtained by participants and beneficiaries upon written request to the plan administrator and are available for examination by participants and beneficiaries at the Plan Office.

Type of Administration: The administrative operations of the Plan are handled by employees of the Plan itself.

Plan Amendment, Plan Termination and Benefit Reductions: The Board of Trustees reserves the right to amend, modify or terminate this Plan at any time. In the event of termination, in whole or in part, or if there is a complete discontinuance of contributions, each employee is entitled only to those benefits accrued to the date of termination or discontinuance of contributions to the extent funded.

Glossary

The following terms have special meanings in our Plan. To help you understand them in the context of our Plan, definitions are provided here.

Actuarial Equivalent: Two benefits of equal economic present value based on the actuarial factors and assumptions specified in the Plan or required by law.

For Death Benefit - Your Beneficiary may be any person designated by you, or by the terms of the Plan Regulations or applicable Federal Law, who may be entitled to a benefit if you die.

For Your Pension Benefit - Your Beneficiary must be a Class Beneficiary - your spouse, children, and/or parent who meet the MM&P Health and Benefit Plan's definition of Dependent.

Contribution Period: The period during which an Employer is obligated by its agreement to contribute to the Plan with respect to your employment.

Contributing Employer: Any employer that has a collective bargaining agreement or a participation agreement with the I.O.M.M.&P. or with the Trustees to make contributions to the Plan on behalf of its employees.

Covered Employment: Employment for which an Employer is obligated to contribute to the Plan. For purposes of determining Pension Credit, Covered Employment may include periods of time before the Employer became obligated to contribute to the Plan, as determined by the Trustees. Covered Employment may also include periods of time provided by law, such as military service or parental leave, or periods of time for which an Employer is on a contribution holiday, and is not obligated to contribute to the Plan, pursuant to an agreement between the I.O.M.M.&P. and the Employer.

Normal Retirement Age: The later of your 65th birthday or the fifth anniversary of your participation in the Plan, disregarding any participation before a Permanent Break in Service.

Pay: When used to determine your pension, Pay means the greater of Wage Related Pay or Career Average Pay. **See page 9 for limitations on Pay that apply to 2006 and later years.**

Wage Related Pay is the average of your base monthly wages during the highest five calendar years within a ten-calendar-year period immediately preceding the earlier of March 1, 2013, or your pension effective date. (A period of five consecutive years is used if you are not credited with at least 65 days of Covered Employment in each of two calendar years after January 1, 1985, or if your pension effective date was after January 1, 1987).

<u>For Regular Pensions</u> (see page 6), the ten (10) calendar year period used to calculate Wage Related Pay is the period immediately preceding the earlier of March 1, 2013, or the last day of Covered Employment, unless the period preceding the pension effective date produces a higher benefit.

If you qualify for a Regular Pension, your pension amount will never be less than what it would have been if you had retired at the end of any earlier year, even if your Wage Related Pay has declined.

Career Average Pay is the average base monthly wages over all years in the period ending on February 28, 2013 during which you were credited with at least one quarter of Pension Credit. During years in which you earn less than one full Pension Credit, the Plan will develop the monthly wages for that period that you would have earned if you had been employed in Covered Employment a sufficient number of days to accrue one full Pension Credit in each year in which you were credited with at least one quarter of Pension Credit.

Other Pay stipulations include –

- Your base monthly wages may include the non-watch standing allowance equivalent of 28% applied to all wages earned on and after June 16, 1976, for employment below the rank of Master.

- If you participate in a 401(k) deferred compensation plan, the term "Pay" means your average base monthly wages before any voluntary salary reduction as long as your Employer contributed to this Plan based on your pre-salary reduction wages.

- Base wages used to determine a pilot's pension cannot exceed the base wages of a Master, Class A, Dry Cargo.

- For purposes of computing pension benefits for Participants retiring on or after January 1, 2001, the term "Pay" includes vacation wages earned after that date aboard Military Sealift Command and/or MARAD vessels in Full Operating Status, in addition to any wages earned aboard such vessels in Reduced Operating Status. However, the combined Pay for wages earned aboard such vessels cannot exceed the pension wages for a Master aboard an American Ship Management C-10 vessel.

- Any cost of living increases provided in an offshore Collective Bargaining Agreement will not be included for the purpose of computing pension benefits for participants retiring during the period that the Collective Bargaining Agreement covers.

Qualified Domestic Relations Orders

A Qualified Domestic Relations Order ("QDRO") is a Court-approved agreement between the parties involved in divorce or support proceedings.

A QDRO requires the Plan to pay benefits to someone other than the participant. That person is referred to as an "alternate payee". The alternate payee is usually the participant's former spouse but could be a dependent.

QDROs must meet specific requirements set forth in section 414(p) of the Internal Revenue Code. A copy of the Plan's QDRO Procedures can be obtained, free of charge from the Plan Administrator. Please contact the Plan Office for details.

Qualified Spouse: Your Qualified Spouse is a person of the opposite sex to whom you have been legally married for at least one year before your date of death. A Qualified Domestic Relations Order may require the Plan to treat a former spouse as a Qualified Spouse and may require part or all of your pension to be paid to her.

Total and Permanent Disability: The Plan considers you totally and permanently disabled if you are totally and permanently unable, as a result of bodily injury or disease, to engage in any further employment as a Licensed Officer and unable to earn more than $400 a month in any other employment or gainful pursuit. You will have to submit medical evidence satisfactory to the Trustees upon request.

Your Rights Under The Employee Retirement Income Security Act Of 1974 (ERISA) gives you some basic rights as a Plan participant. ERISA provides that all plan participants are entitled to:

Receive Information About the Plan and Benefits Under the Plan

1. **Examine**, all documents governing the Plan, without charge, at the Plan Office and other specified locations, such as union halls, all Plan documents, include ing insurance contracts, collective bar gaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as de tailed annual reports and Plan descript tions.

You may examine the following documents at the Plan Office during regular business hours, Monday through Friday, except holidays.

- **a.** Trust Agreement
- **b.** (Plan Regulations)
- **c.** Collective Bargaining Agreement
- **d.** Annual Report Form 5500 filed by the Plan with the Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration
- **e.** Summary Plan Description

If you prefer, you can arrange to examine the Annual Report during business hours at a Port Office. To make such arrangements, write to the administrator at the Plan Office. A Summary of the Annual Report, which gives details of the financial information about the Plan's operation, is furnished annually to all participants free of charge.

2. **Obtain copies** of documents governing the Plan, including updated summary plan descriptions, and other Plan in formation filed with the IRS and/or the Department of Labor upon written re quest to the Plan administrator. The administrator may make a reasonable charge for the copies.

1. **Obtain** a statement telling you whether you have a right to receive a pension at Normal Retirement Age 65 and, if so, what your benefits would be at Normal Retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years of service you need to have a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Plan will provide this information to the extent it is able based on available records. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for the Plan participants, ERISA imposes duties upon the people who are responsible for the operation of your Pension Plan. The Trustees who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your Employer, your Union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for benefits under the Plan is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan and do not receive, then within 30 days, you may file suit in federal court. In such a case, the court may require the Plan Administrator to provide materials and pay up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against asserting your rights, you may seek assistance from the U.S. Department of Labor, or may file suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the party you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

You may be required to pay copying costs.

YOUR PENSION CREDIT CHART

Past Service Credit -- Periods Prior to October 1, 1955	
Number of Days of Creditable Employment in a Calendar Year	**Pension Credits Granted**
Less than 50	0
50 to 99	.25
100 to 149	.50
150 to 199	.75
200 or more	1 year

October 1, 1955 – December 31, 1972	
Days of Covered Employment in the Calendar Year	**Pension Credits Granted**
Less than 50	0
50 to 99	.25
100 to 149	.50
150 to 199	.75
200 or more	1 year

January 1, 1973 – December 31, 1975	
Days of Covered Employment in the Calendar Year	**Pension Credits Granted**
Less than 70	0
70 to 139	.25
140 to 209	.50
210 to 279	.75
280 or more	1 year

January 1, 1976 – December 31, 1986[3]	
Days of Covered Employment in the Calendar Year	**Pension Credits Granted**
Less than 70	0
70 to 124	.25
125 to 139	.4
140 to 179	.5
180 to 209	.6
210 to 269	.75
270 to 279	.8
280 or more	1 year

January 1, 1987 – Present

Days of Covered Employment ÷ 260 =
1 year of Pension Credit

Maximum of 1 year of Pension Credit
or 260/calendar year

To be eligible for this calculation, you must have at least 65 days of Covered Employment in two calendar years after 1984. Otherwise, the "January 1, 1976 – December 31, 1986" chart applies.

[3] If you are an Administrative employee, an official, a representative or a shoreside employee of the I.O.M.M.&P., you are granted one-tenth of a Pension Credit for each month or part of a month of Covered Employment during this period up to a maximum of 1.00 year of pension credit.

TYPES OF PENSIONS – REQUIREMENTS – OFFSHORE PARTICIPANTS

REGULAR PENSION	REDUCED PENSION
At least 20 years of Pension Credit, and either (i) attainment of at least 55 years old, or (ii) age and Pension Credit totaling at least 80	Age 65 and at least 15 years of Pension Service Credit
EARLY RETIREMENT PENSION	**DISABILITY PENSION**
At least 15 years of Pension Credit and age 60-64 or, if under age 60, at least 20 years of Pension Credit	Totally and permanently disabled and a minimum of 10 years of Pension Credit
DEFERRED 10 YEAR PENSION	
At least 10 years, but less than 15 years, of Pension Credit and you are Normal Retire-ment Age	
DEFERRED VESTING PENSION	
A minimum of 10 years of vesting service and not eligible for any other Pension OR Less than 10 years of vesting but reached Normal Retirement Age while a Participant in the Plan OR At least five years vesting service with at least one day of covered employment after January 1,1999	

In all cases, Pension Credits earned after February 28, 2013 are taken into account to determine the type of pension for which you are eligible but not the amount of your pension.

For Administrative Employees' requirements, see Pages 1-2 and 9 of this booklet.

HUSBAND AND WIFE PENSION OPTIONS AT RETIREMENT

The following are your options:

1. 50% Husband and Wife Option – If you are married on the date your pension payments start, the plan must pay you a 50% Husband and Wife Pension unless you and your spouse agree in writing to another form of payment.

   Your pension will be actuarially reduced to provide your spouse with 50% of the reduced amount if you die before her.

   If your spouse dies before you, you will continue to receive the same pension benefit amount. You may reject this form of payment and opt for:

   A) 100% Husband and Wife Pension

   OR

   B) 50% Pop Up Option

   OR

   C) 75% Husband and Wife Pension

   OR

   D) 75% Pop Up Option

   OR

   E) 100% Pop Up Option

2. 100% Husband and Wife Option – A reduced pension. If your Qualified Spouse dies before you, you will continue to receive the reduced amount. If you die before your Qualified Spouse, he/she will continue to receive 100% of the reduced amount for his/her lifetime.

3. 50% Husband and Wife Option – A reduced pension. If your Qualified Spouse dies before you, you will continue to receive the reduced amount. If you die before your Qualified Spouse, he/she will receive 50% of the reduced amount for his/her lifetime.

4. 100% Husband and Wife Option with Pop-Up – A reduced pension. If your Qualified Spouse dies before you, the option is voided and you will receive a pension benefit with no reduction commencing the month following your spouse's death. If you die before your Qualified Spouse, he/she will receive 100% of the reduced amount for his/her lifetime.

5. 50% Husband and Wife Option with Pop-Up – A reduced pension. If your Qualified Spouse dies before you, the option is voided and you will receive a pension benefit with no reduction commencing the month following your spouse's death. If you die before your Qualified Spouse, he/she will receive 50% of the reduced amount for his/her lifetime.

6. 75% Husband and Wife Option – A reduced pension. If your Qualified Spouse dies before you, you will continue to receive the reduced amount. If you die before your Qualified Spouse, he/she will receive 75% of the reduced amount for his/her lifetime.

7. 75% Husband and Wife Option with Pop-Up – A reduced pension. If your Qualified Spouse dies before you, the option is voided and you will receive a pension benefit with no reduction commencing the month following your spouse's death. If you die before your Qualified Spouse, he/she will receive 75% of the reduced amount for his/her lifetime.

8. <u>Single Life Annuity with 60-month Guarantee</u> – Reject all Survivors Options and elect 60-month payout. This option will provide you with a benefit for your lifetime. However, if you predecease your Qualified Spouse, your Qualified Spouse will be eligible to receive the balance of the 60 months measured from the effective date of your pension. This option is only valid if you file this option in writing and your spouse acknowledges the effect of the alternative benefit and consents in writing witnessed by a notary public. The amount of pension benefit is the full amount with no actuarial adjustment.

*Reduced amount is obtained through an actuarial calculation.

PENSION BENEFITS TO SURVIVORS

A. UNMARRIED PARTICIPANT

Conditions – must be eligible for pension benefits.

Benefit – 60 month Guarantee

Beneficiaries – Children/Parents
Provided they meet definition of "Dependent" under the MM&P Health and Benefit Rules and Regulations

B. MARRIED PARTICIPANTS eligible for a Pension –

Surviving spouse is eligible for Benefits at time of death

1) 60 Month Guarantee

OR

2) Pre-Retirement Surviving Spouse Benefits

Participants 55 years of age or older at time of death	Participants under 55 years of age at time of death
100% Survivors Option See Page 14 of this booklet for examples	50% Survivors Option unless this Benefit was properly rejected and the 100% option taken See Option below

C. MARRIED PARTICIPANTS

Vested, not eligible for a Pension benefit at time of death. Surviving spouse will begin receiving a 50% Pre-Retirement Surviving Spouse Pension benefit at the time when participant would have been eligible. See Pages 15-16 of this booklet for examples.

D. You may elect to provide your spouse with a 100% Survivors Option by taking an option when you are younger than 55. This is how it works.

PRE-RETIREMENT SURVIVOR OPTION FOR PARTICIPANTS UNDER AGE 55

In order to be eligible, you must meet the following conditions:

- You must file an option with the Plan Office
- Option must be on file for two (2) years and your Qualified Spouse must consent to it
- A charge of $.01 per each $10 of monthly benefit will be made and the benefit to which you are eligible will be reduced accordingly
- You must be eligible for a Regular Pension or a Disability Pension
- To be eligible for a Disability Pension, you must have been permanently and totally disabled for at least 150 days before the date of death

Example

James is 52 years of age and files an Option with the Plan Office electing the 100% pre-retirement Surviving Spouse benefit. James dies at age 54. The Plan determines that he was eligible to a $2500 gross monthly benefit. His Surviving Spouse will receive a 100% Survivors Pension calculated as follows:

Gross monthly benefit	$2500.00
Less $.01 for each $10 of the monthly benefit – $2.50 per year x 2 years	5.00
Surviving spouse's benefit	$2495.00

PAST SERVICE CREDIT FOR PERIODS BEFORE OCTOBER 1, 1955

You are credited with Past Service based on the following employment requirements:

- You were in Covered Employment for a total of at least 200 days from January 1, 1951 through September 30, 1955; or

- You remain available for employment as a Licensed Officer in the American Merchant Marine. Continued membership in the Organization will be evidence of continued availability for such employment; and

- You earned a total of 1,600 days of Pension Credit as a result of Covered Employment between October 1, 1955 and December 31,1965.

There are certain exceptions if you didn't have at least 200 days in Covered Employment during the period of January 1,1951 to September 30,1955. If you were unable to accumulate 200 days during that period, you are still entitled to Past Service Credit for that period if you meet <u>all</u> of the following conditions:

- ***were disabled*** during that period; and

- ***returned to*** Covered Employment and earned at least three years of Pension Credit after September 30, 1955; and

- ***earned ten years*** of Past Service Credit between January 1, 1935 and January 1, 1951.

All of these requirements will be waived and you can receive Past Service Credit for periods in Covered Employment if you earned Pension credit as a result of Covered Employment as follows:

- ***you had at least 15 years*** of Pension Credit in any 25 consecutive calendar years after January 1, 1951; or
- ***you had at least*** 20 years of Pension Credit in any 30 consecutive calendar years after January 1, 1951; or
- ***you had at least*** 25 years of pension credit in any 35 consecutive calendar years after January 1, 1951.

How Past Service Credit is Granted. If, based on the above requirements, you are entitled to Past Service Credit, Pension Credit is granted in quarter-year units depending on the number of days of employment in each calendar year from 1935 to 1951 according to the following table:

Days of Covered Employment in the Calendar Year	Pension Credits Granted
Less than 50	0
50 to 99	.25
100 to 149	.50
150 to 199	.75
200 or more	1 year

BREAKS-IN-SERVICE BEFORE 1999

Before January 1, 1976
Three-Year Break-in-Service

If you did not have at least 60 days per year in Covered Employment in a consecutive three-year period, you had a permanent Break-in-Service and all previous service was cancelled.

However, your previous service will not be cancelled if you meet all these requirements:

- you earned at least ten years of Pension Credit before your break;
- you return to Covered Employment and earned at least 12 quarters (three years) of Pension Credit; and
- you remain available for work in Covered Employment at all times.

For example: John worked eight years from 1963 through 1970. He worked only 45 days each year from 1971 through 1973. He returned to work but only had four quarters of Pension Credit when he left again. In this case, John had a permanent Break-in-Service and his previous eight years of service were cancelled. If he returns to work again, he will have to start over as a new participant.

One Year Break-in-Service

- **During 1975**

If you didn't have at least 15 years of Pension Credit on December 31, 1974 and you didn't work at least 60 days in Covered Employment during the 1975 calendar year, you will have a Break-in-Service and any previous service will be cancelled. But, your service won't be cancelled if you work at least 60 days in Covered Employment during one calendar year after 1975.

For example: Adam worked twelve years from 1963 through 1974. He worked only 30 days in Covered Employment during the 1975 calendar year and didn't return to work after 1975. Adam had a permanent Break-In-Service and his previous twelve years of service were cancelled.

If you incurred a Break-in-Service under this Plan prior to January 1, 1976, this Break-in-Service will be waived if you did not receive a pension prior to June 16, 1978 and;

> had at least 15 years of Pension Credit in any 25 consecutive calendar years after January 1, 1951;

> had at least 20 years of Pension Credit in any 30 consecutive years after January 1, 1951; or

> had at least 25 years of Pension Credit in any 35 consecutive calendar years after January 1, 1951.

- **On and After January 1, 1976**

Beginning January 1, 1976 there are one-year breaks and permanent breaks. A one-year break is temporary and can be repaired. You have a one-year break in any year in which you don't complete at least 44 Days of Service or at least two months of Service if you're a non-maritime participant. You can repair a one-year break by completing 87 Days of Service in a subsequent calendar year which precedes a permanent break as described below:

Permanent Break-in-Service

- **After December 31, 1975 and before January 1, 1987**

You have a permanent Break-in-Service if your consecutive one-year breaks equal or exceed your years of Vesting Service.

For example: Alan worked two years from 1982 through 1983. He worked only 30 days of service each year from 1983 through 1986. Since Alan only had two years of Vesting Service before his break and didn't have enough days of service for a three-year period, his years of breaks exceeded his years of Vesting Service. Alan has a permanent Break-in-Service and his previous two years of service are cancelled.

- **After December 31, 1986**

You have a permanent Break-in-Service after December 31, 1986 if you have consecutive one-year breaks that equal or exceed five or, if greater, the number of years of Vesting Service with which you had been credited, including at least one after 1986.

For example: Andy worked four years from 1983 through 1986. He didn't work for five years from 1987 through 1991. Since Andy had five or fewer years of Vesting Service and five consecutive One-Year Breaks, he has a permanent Break-in-Service and his previous four years of service are cancelled.

In another example, Bruce worked seven years from 1980 through 1986. He didn't work for eight years from 1987 through 1994. Since Bruce's breaks exceed his years of Vesting Service, he has a Permanent Break-in-Service and his previous seven years of service are cancelled.

Non-Collective Bargaining Employees

If you are not covered by a collective bargaining agreement and have one Day of Service after December 31, 1988, you will not have a Break-in-Service if you have at least five years of Vesting Service.

Official Name of the Plan:	MM&P Pension Plan
Plan's Identification Number Assigned by the Internal Revenue Service:	13-6372630
Plan Number:	001
Type of Plan:	Defined Benefit Pension Plan
Plan Sponsor/Plan Administrator: Board of Trustees, MM&P Pension Plan 700 Maritime Blvd., Suite A Linthicum Heights, MD 21090	Telephone: (410) 850-8500 Fax: (410) 850-8655 and (410) 859-0399 E-Mail: planoffice@mmpplans.com
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