

CONTAINER ROYALTY FUND BENEFITS

The Trustees have always made a good faith effort to give you the benefits to which you are entitled under the various Collective Bargaining Agreements between the Hampton Roads Shipping Association and the International Longshoremen's Association and to comply in every way with all government regulations concerning your employee benefits. The Employee Retirement Income Security Act of 1974 (ERISA) requires information about your employee benefit plans to be described to you in plain language. This Master Summary Plan Description contains all of the information required by law to be included in a summary of your HRSA-ILA Plans.

To review the Summary Plan Description of the HRSA-ILA Container Royalty Fund, you can scroll down the Summary Plan in its entirety or use the links on the following Table of Contents to navigate to sections of interest.

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HRSA-ILA CONTAINER ROYALTY FUND No. 1

SUMMARY PLAN DESCRIPTION

INTRODUCTION AND BACKGROUND

The HRSA-ILA Container Royalty Fund No. 1 (the “Fund”) is sponsored by the Employer-Members of the Hampton Roads Shipping Association (the “HRSA”) and the Affiliated Locals of the Port of Hampton Roads, Virginia International Longshoremen’s Association, AFL-CIO (the “ILA”). The Fund is adopted pursuant to the several Collective Bargaining Agreements between the HRSA and the ILA.

This Summary Plan Description (SPD) will describe the general provisions of the Fund. The

SPD is not a substitute for the Fund document and is not meant to interpret, amend or alter the Fund in any way. The Fund document is the final authority on all matters regarding the Fund and in cases of conflict between this SPD and the Fund, the actual provisions of the Fund control. You may review the Fund document and obtain a copy of it at the Fund office. You may also view the fund document at www.hrsa-ila.com. If you have any questions about the Fund or this SPD, you should contact the Fund Administrator at the Fund office.

ESTABLISHMENT OF FUND

The Fund was established for the protection and benefit of members of the International Longshoremen’s Association, including ILA Locals 846, 862, 970, 1248, 1458, 1624, 1736, 1784 and 1970 as well as non-union men who become eligible by working in the Port of Hampton Roads under the jurisdiction of the Collective Bargaining Agreement. It is a plan that provides compensation to employees for loss of work in the Port.

FUNDING OF BENEFITS

Benefits are funded by contributions from Shipping Lines based on a portion of the container tonnage loaded or discharged in the Port of Hampton Roads. The amount of contributions is determined by the Collective Bargaining Agreements currently in force between the HRSA and the ILA.

BENEFITS

ELIGIBILITY AND PARTICIPATION

The Container Royalty Benefit may be earned by any ILA or non-union employee who:

- is paid deepsea or terminal ILA jurisdiction hours by HRSA member companies; or
- receives temporary total or temporary partial workers' compensation credits; or
- is an ILA Local Union Official for whom contributions are made to the HRSA-ILA Funds; or
- is an ILA employee of an HRSA-ILA Fund.

Eligibility to receive the Container Royalty Benefit depends on whether or not you first qualified for the benefit by the Contract Year ending September 30, 2004.

Qualified by September 30, 2004

If you qualified for the Container Royalty benefit during or before the 2003-04 Contract Year, you will qualify for the benefit each Contract Year when your work hours and/or credits equal or exceed 1000 hours. If you have qualified for the benefit under this paragraph but failed for three or more years in a row to earn it, you

The Fund provides supplemental cash benefits to employees of the longshore industry in order to protect them from the decrease in employment opportunities resulting from the use of containers. Your benefits are paid to you out of the Container Royalty Fund No. 1. All monies in the Trust Fund, after deducting administrative expenses, are paid on an annual basis to eligible employees.

must re-qualify for the Container Royalty benefit under the requirements below.

Qualified after September 30, 2004

If you have not qualified for the Container Royalty Benefit as of September 30, 2004, or if you had qualified before but have had a gap of three or more consecutive years where you did not earn the benefit, you must earn hours or credits in six consecutive years; the hours in five of the six years must equal or exceed 1000; and the hours in the final or qualifying year must equal or exceed 1000. 700-hour years completed before October 1, 2004 will count towards these requirements. Once the six-consecutive year requirement is satisfied, you will qualify for the benefit each year that you earn 1000 or more hours and credits; however, employees who fail to earn the benefit for three or more years in a row must re-qualify under this paragraph.

Retiree Eligibility

After your retirement you will qualify for three additional annual Container Royalty Benefits if you qualified for the benefit during the year of, or the year before, your retirement effective date. For purposes of receiving Benefits from this Fund, an Employee shall be deemed retired on the date he or she submits his or her retirement application to the HRSA-ILA Pension Plan.

If you return to work in the industry after receiving your three additional Container Royalty benefits you will not be eligible to receive three additional Container Royalty benefits when you retire again.

Eligibility Credits

Employees who receive temporary total or temporary partial workers' compensation benefits shall receive prorata credit for the purposes of determining eligibility at the rate necessary to continue the employee's benefits at the same level as in existence during the year prior to which such sickness, injury or disability occurs, in accordance with the Collective Bargaining Agreements. You will only receive credits for those weeks during which you receive workers' compensation benefits.

If you are an eligible employee who qualifies under the Uniformed Services Employment and Re-Employment Rights Act of 1994 ("USERRA") and you serve in the uniformed services, you may receive credits for the time spent in the uniformed

services up to five years under USERRA to the extent necessary to preserve seniority-based benefits, provided you apply for covered employment in the long-shore industry in Hampton Roads in a timely manner (as defined by USERRA) after your separation from service.

No credit hours are granted from permanent total or permanent partial workers' compensation disability benefits or from lump sum compensation settlements. If there is a retroactive declaration of permanent disability by a court or commission having jurisdiction in the compensation case, the credits will be retroactively adjusted to stop on the day of your permanent disability.

PAYMENT OF BENEFITS

Benefits are paid automatically to eligible persons as determined at the end of each contract year, which runs from October 1st of one year to September 30th of the next. Container checks are mailed on or about December 1st, or if December 1st falls on a weekend or a holiday, checks will be mailed on the first business day after December 1st.

Payments are no longer divided equally. If your hire date is October 3, 1996 or later and you are qualifying for the first time, your **maximum** Container Royalty Benefit will be \$7500.

Replacement checks will not be issued until the seventh business day following December 1st. You may call the HRSA-ILA Participant Services Department at

(757) 457-7090 or, if calling from out of the local calling area, 1-800-899-3090 for a replacement.

To avoid any delays in the mail service, consider direct deposit for your benefit check. For more information regarding electronic direct deposit, see page 150.

DEDUCTIONS FROM YOUR CONTAINER ROYALTY BENEFIT

- *Annuity & Savings Plan*

You may elect to have all or part of your Container Royalty benefit to be contributed on a voluntary pre-tax basis to your Annuity & Savings Plan account subject to the IRS contribution limit. If you choose to contribute to your Annuity & Savings Plan account, Social Security contributions (FICA) are deducted from the gross benefit before your annuity contribution. Taxes and union dues are deducted after your annuity contribution is applied. In addition, garnishments may be deducted if applicable;

- *Taxes*

You have two choices for federal and state tax deductions from your benefit. You may choose to have 25% of your benefit deducted for federal taxes and 5.75% deducted for state taxes or you may choose the deductions based on the marital status and number of exemptions you have claimed on your latest W-4 form on file with the Fund office. The W-4 election is currently used as the default if you have not submitted a form electing the alternate method. HRSA-ILA can not be held responsible for a tax withholding

election you make or fail to make. If you receive a Container Royalty Benefit you will receive a W-2 Form in January of the following year. The W-2 will show the amount of benefits that you received and the amount of taxes withheld. When you prepare your taxes, include the Container Royalty Benefit as wages and attach the W-2 to your tax reports;

- *Union Dues*

Union dues (check-off) are withheld at a rate of 10% of the gross benefit;

- *Garnishments and Levies*

Sometimes the Fund is served with a garnishment summons from a local court, a spouse or child support order, or an IRS levy from the Internal Revenue Service. The summons, order, or levy directs the Fund to withhold all or a portion of the Container Royalty Benefit and send the amount withheld to the issuing court or to the IRS. You will receive a copy of the summons or IRS levy when one is issued against your

benefits, and you will receive a notice showing the amount withheld from your benefits.

The Fund must honor a court order. If you object to the Fund honoring such a court order you should have your attorney intervene in the garnishment action on your behalf and ask the court to change its order;

- *Money Owed to HRSA-ILA*

If you owe money to another HRSA-ILA Fund, because of an overpayment or improper payment, for example, the balance that you owe will be deducted from your Container Royalty Benefit.

ELECTRONIC DIRECT DEPOSIT OF YOUR CONTAINER ROYALTY BENEFIT

You may choose from two methods for the payment of your benefit. You may receive your check by mail or you may have it electronically deposited to your bank account. Electronic direct deposit is a safe and efficient means of transferring your Container Royalty money from the Plan to your bank account eliminating the chance of your check being lost in the mail. When your benefit is deposited electronically you will receive a confirmation in

the mail that the money was deposited to your account. For members who qualify for a Container Royalty benefit, a Direct Deposit Form may be forwarded to the Fund at any time, but it must be received no later than 2 weeks before the scheduled payment. To enroll for direct deposit, you may bring or mail the form included in the Personal Section of this notebook to the HRSA-ILA Participant Services Department.

In addition to the Direct Deposit Forms available in the Personal Section of this book, forms are also available on the HRSA-ILA website, www.hrsa-ila.com or by dialing (757) 423-3090 to enter the HRSA-ILA Interactive Voice Response system.

APPEAL OF A DENIED CLAIM

See Administration Section regarding the procedures for the appeal of a denied claim.

LOSS OF BENEFITS

Benefits are earned according to how many hours you are credited during the year. You may earn the benefit one year but fail to earn the benefit the next year because you did not work a sufficient number of hours or receive sufficient credits. You are not eligible to receive the benefit if you do not have a minimum of 1000 hours or credits during a Contract Year, or you have failed to qualify for the benefit for three or more years. The Fund is subject to and may be modified at any time by the Trustees in accordance with the Collective Bargaining Agreements.

QUESTIONS OFTEN ASKED ABOUT THE HRSA-ILA CONTAINER ROYALTY FUND

How are my hours reported?

Employers are required to send copies of their ILA jurisdiction timesheets to the Fund and you are credited with the hours reported. If you are injured, employers or their insurance carriers send compensation reports. To see your hours and credits you may request a “detail history” from Participant Services at (757) 457-7090 or order one by calling the Interactive Voice Response (IVR) at (757) 423-3090.

When will I qualify for a Container Royalty Benefit?

If you have not received the benefit as of October 1, 2004, you are not eligible for a benefit until you have earned work hours and/or credits in six consecutive years. The hours and credits in five of those six years must equal or exceed 1000 hours. If you received the Container Royalty Benefit before this date, you automatically qualify whenever you work 1000 or more hours under the Collective Bargaining Agreement.

What happens if I miss earning the benefit during a year?

Once you have qualified for the benefit, you will earn it each year that you accrue 1000 hours or credits. However, if you fail to earn a benefit for three or more

consecutive years you will have to qualify by again working in six consecutive years and earning a minimum of 1000 hours and credits in five of them. If you fail to earn the benefit for three consecutive years because of a non-occupational illness or injury, you should apply to the Board of Trustees for a review.

I had almost satisfied my six years of 700 hours when the contract changed the requirement to 1000 hours. Do I have to start all over at qualifying for a container check?

No. Any 700-hour years towards the container eligibility requirements that you earned before October 1, 2004 will count towards the “five out of six year” requirement. You will only have to begin the six consecutive years again if you fail for three years in a row or more to earn a container benefit.

How will I know if I earn a Container Royalty Benefit?

You will receive a benefit certificate in November which will show whether or not you have earned a Container Royalty Benefit. You will be sent a check automatically if you have earned a benefit.

QUESTIONS OFTEN ASKED ABOUT THE HRSA-ILA CONTAINER ROYALTY FUND CONTINUED

When are benefit checks sent out?

Container Royalty checks are mailed out on December 1st. By selecting the direct deposit method of payment, your benefit will be in your account on December 1st or the first business day following. If you choose to use mail service, you must wait at least 7 business days if for some reason your check is lost in the mail before calling for a replacement check.

Will my spouse continue receiving Container benefits if I die?

Your beneficiary will receive unpaid container benefits that you qualified for before your death. It is your responsibility to keep your beneficiary designation up to date.

How is the amount of the Container Royalty benefit determined?

Container carriers pay into the Container Royalty Fund tonnage assessments throughout the year. The total money collected minus a small reserve is divided by the number of eligible participants.

Payments are no longer divided equally. If your hire date is October 3, 1996 or later and you are qualifying for the first time, your **maximum** Container Royalty Benefit will be \$7500.

ADMINISTRATION OF THE FUND

Your Fund is a welfare benefit plan and is administered by the Board of Trustees. The Board is made up of seven members appointed by the HRSA and seven members appointed by the ILA. The Board makes the decisions regarding any question, interpretation and application of the Fund provisions and is responsible for seeing that the Fund provisions are applied in a uniform manner.

FUND IDENTIFICATION NUMBERS

A description of the Fund is on file with the U.S. Department of Labor and may be referred to by the Employer Identification Number 54-0852223 and Plan Identification Number 502.

ESTABLISHMENT OF THE FUND

The Fund is adopted pursuant to Collective Bargaining Agreements by and between the Hampton Roads Shipping Association and the International Longshoremen's Association, copies of which are available for examination and may be obtained by the participants of the Fund by written request to the Fund Administrator.

FUND INVESTMENTS

Fund assets are managed and invested by investment managers selected by the Board of Trustees.

PLAN NAME	TRUSTEES	PLAN YEAR	PLAN NUMBER	PLAN ADMINISTRATOR AND ADDRESS
HRSA-ILA Container Royalty Fund	As listed in the Administration Section, Page 7	October 1 through September 30	502	Board of Trustees HRSA-ILA Container Royalty Fund No. 1 1355 Terminal Boulevard Norfolk VA 23505-1458 Phone: (757) 457-7090 1-800-899-3090

Container

IMPORTANT NAMES AND ADDRESSES

ADMINISTRATIVE OFFICE OF THE FUND

- HRSA-ILA Container Royalty Fund No. 1
1355 International Terminal Blvd.
Norfolk, Virginia 23505-1458
Phone Number - (757) 457-7090
1-800-899-3090

FUND SPONSORS

- Hampton Roads Shipping Association
236 E. Plume St.
Norfolk, Virginia 23510
Phone Number - (757) 622-2639
- International Longshoremen's Association
1355 International Terminal Blvd., Suite 201
Norfolk, Virginia 23505-1458
Phone Number - (757) 440-9420

A complete list of the employers and employee organizations sponsoring the Fund may be obtained by the participants and beneficiaries upon written request to the Fund Administrator, and is available for examination during business hours (8:30 a.m. to 5:00 p.m.) at the Fund's Administrative Office.

AGENT FOR SERVICE OF LEGAL PROCESS

- Board of Trustees
HRSA-ILA Container Royalty No. 1 Fund
1355 International Terminal Blvd.
Norfolk, Virginia 23505-1458
Phone Number - (757) 457-7090
1-800-899-3090

Service of legal process also may be made on any member of the Board of Trustees.

**THE HRSA-ILA BOARD OF TRUSTEES MAY
TERMINATE, SUSPEND, WITHDRAW, AMEND OR
MODIFY THE CONTAINER ROYALTY FUND IN
WHOLE OR IN PART AT ANY TIME.**

