

# **CONTAINER ROYALTY FUND BENEFITS**

## **65 SUMMARY OF CONTAINER ROYALTY FUND NO. 1**

65 Introduction and Background

## **65 BENEFITS**

65 Eligibility and Participation

66 Payment of Benefits

66 Deductions from your Container Royalty Benefit

67 Electronic Direct Deposit of Your Container Royalty Benefit

67 Appeal of a Denied Claim

67 Loss of Benefits

## **68 QUESTIONS OFTEN ASKED ABOUT THE HRSA-ILA CONTAINER ROYALTY FUND**

## **69 IMPORTANT NAMES AND ADDRESSES**

# **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 Virginia, 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 Trust Agreement and is not meant to interpret, amend or alter the Fund in any way. The Trust Agreement 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 Trust Agreement and obtain a copy of it at the Fund office. You may also view the Trust Agreement at [www.hrsa-ila.com](http://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, 970, 1248, 1624, 1736, and 1970 as well as non-union employees who become eligible by working in the Port of Virginia under the jurisdiction of the Collective Bargaining Agreement.

## **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 Virginia. 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 deep sea or terminal ILA jurisdiction hours by HRSA member companies; or
- receives temporary total or temporary partial workers’ compensation credits; or
- is an ILA employee of an HRSA-ILA Fund.

Eligibility to receive the Container Royalty Benefit will be determined as set forth below.

All employees qualify for the Container Royalty Benefit provided they have done the following:

1. Worked three (3) years in the industry; and
2. Worked 3,000 hours or more total; and
3. Worked 1,000 hours in the qualifying year.

If at any given time an employee had a break in service of three (3) consecutive years of zero (0) hours, the employee shall be disqualified for Supplemental Cash Payment and must begin the qualification process again.

### **Retiree Eligibility**

After your retirement you will qualify for three additional Container Royalty payments 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 a

retirement application is submitted to the HRSA-ILA Pension Plan. No additional annual Container Royalty Benefits are paid if you die before retiring.

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 pro rata 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 longshore 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 after you are declared permanently disabled.

### **Payment of Benefits**

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

Replacement checks will not be issued until the seventh business day following December 1. 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 67.

### **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 pre-tax basis to your Annuity & Savings Plan account subject to the IRS contribution limits. 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 are calculated and union dues are deducted after your annuity contribution is applied.

**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 W-4 form on file with the Fund office. The W-4 election is used as the default if you have not submitted a form electing the alternate method. HRSA-ILA cannot 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 return.

**Union Dues:** Union dues (check-off) are withheld at a rate of 10% of the gross benefit as required by the collective bargaining agreement.

**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 request an attorney to 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 to receive your benefit by having 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. A Direct Deposit Form may be forwarded to the Fund at any time, but it must be received no later than two 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. If you have enrolled in direct deposit and change banks, be sure to cancel the direct deposit for your old account at least two weeks before a benefit is paid.

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](http://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. If at any given time you had a break in service of three (3) consecutive years of zero (0) hours, you shall be disqualified for Supplemental Cash Payment and must begin the qualification process again. 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 report employee work hours to the Fund and you are credited with the hours reported. If you are injured, employers or their insurance carriers will 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.

### **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 of credit. However, if you fail to earn any hours for three consecutive years you will have to qualify again. If you fail to earn the three consecutive years because of a non-occupational illness or injury, you should apply to the Board of Trustees for a review.

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

You will receive an Eligibility Certificate in November which will show whether or not you have earned a Container Royalty Benefit. You will be paid the benefit automatically after you qualify.

### **When are benefit checks sent out?**

Container Royalty is paid on December 1 or on the first business day following this date. If you choose to use mail service, you must wait at least 7 business days before calling for a replacement check if for some reason your check is not delivered in the mail.

### **How is the amount of the Container Royalty benefit determined?**

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

### **Will my spouse continue receiving Container benefits if I die?**

Any unpaid Container Royalty benefits that you qualified for before your death shall be paid to the beneficiary designated by the Eligible Employee on forms provided by and filed with the Fund Office. It is your responsibility to keep your beneficiary designation up to date. No additional annual Container Royalty Benefits are paid if you die before retiring.

## **IMPORTANT NAMES AND ADDRESSES**

### **ADMINISTRATIVE OFFICE OF THE FUND**

HRSA-ILA Container Royalty Fund No. 1  
1355 International Terminal Boulevard  
Norfolk, VA 23505-1458  
Phone Number: (757) 457-7090  
Toll Free: 1 (800) 899-3090

### **FUND SPONSORS**

Hampton Roads Shipping Association  
236 E Plume Street  
Norfolk, VA 23510  
Phone Number: (757) 622-2639

International Longshoremen's Association  
1355 International Terminal Boulevard, Suite 201  
Norfolk, VA 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 Boulevard  
Norfolk, VA 23505-1458  
Phone Number: (757) 457-7090  
Toll Free: 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 Welfare Fund in whole or in part at any time.**