

VACATION & HOLIDAY FUND

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HRSA-ILA VACATION & HOLIDAY FUND **SUMMARY PLAN DESCRIPTION**

The Collective Bargaining Agreements between the International Longshoremen's Association ("ILA") and the Hampton Roads Shipping Association ("HRSA") established a benefit program to provide paid vacation and holiday benefits to certain qualifying members of the ILA. This program is the HRSA-ILA Vacation & Holiday Fund (the "Fund" or the "Plan"). This Plan is administered as a trust fund by a Board of Trustees from the ILA and HRSA. The Fund was created to collect and administer the contributions required of shippers under the Collective Bargaining Agreements and to pay benefits to qualified and eligible participants. The Board of Trustees has the sole responsibility to make changes to the vacation and holiday benefits to ensure that the Fund complies with the agreements and Federal Law.

The purpose of the Fund is to provide eligible members with pay for the holidays contained in the Collective Bargaining Agreements, currently 16, and pay for one, two, three or six weeks of vacation time.

The documents which govern the Fund are your current Collective Bargaining Agreements and the Hampton Roads Shipping Association-International Longshoremen's Association Vacation & Holiday Fund Trust Agreement.

This Summary Plan Description is provided to you as required by law to inform you, in summary form, of general information about the Plan. **This Summary Plan Description is not a substitute for the Plan and is not meant to interpret, amend or alter the Plan in any way. The Plan document is the final authority on all matters regarding the Plan, and in cases of conflict between this Summary Plan Description and the Plan, the actual provisions of the Plan control. You may review the Plan document and obtain a copy of it at the Plan office. You may also view the Plan document at www.hrsa-ila.com.** If you have any questions about the Plan or this Summary Plan Description, you should contact the Plan Administrator at the Fund office.

ELIGIBILITY AND PARTICIPATION

Requirements for Eligibility

Your vacation and holiday benefits are based on hours worked for contributing employers in the longshore industry in the Port of Virginia during a contract year. Benefits are paid automatically to employees who meet the requirements of eligibility. To be eligible to receive benefits under the Vacation & Holiday Fund you must work or receive credit for a minimum of 700 hours during the eligibility year. Depending on the number of hours that you are credited with during a contract year, and in some cases your years of service, you will receive pay for sixteen holidays and one, two, three or six weeks of vacation, as follows:

Holiday Pay: To receive holiday pay you must receive credit for at least 900 hours during the eligibility year.

One Week: To receive one week paid vacation you must receive credit for 700 to 899 hours during the eligibility year.

Two Weeks: To receive two weeks paid vacation you must receive credit for 900 or more hours during the eligibility year.

Three Weeks: To qualify for three weeks paid vacation both your hours and your years of service in the industry in the Port of Virginia are taken into consideration. You must have credit for at least 1100 hours during the eligibility year, and you must have worked during all of the past six years with credit for at least 700 hours in at least five of the past six years.

Six Weeks: To qualify for six weeks paid vacation both your hours and your years of service are taken into consideration. You must have credit for at least 1300 hours during the eligibility year, and you must have worked during all of the past twelve years with credit for at least 700 hours in at least ten of the twelve years.

See **Illustration 1** below for a summary of the eligibility requirements.

VACATION & HOLIDAY BENEFITS
ELIGIBILITY REQUIREMENTS

ELIGIBILITY YEAR WORK OR CREDIT HOURS	PAST YEARS OF SERVICE	BENEFITS EARNED
700 to 899	N/A	1 Week Vacation
900 or more	N/A	2 Weeks Vacation 16 Holidays
1100 or more	6 consecutive years; at least 700 hours in 5 out of the 6 years	3 Weeks Vacation 16 Holidays
1300 or more	12 consecutive years; at least 700 hours in 10 out of the 12 years	6 Weeks Vacation 16 Holidays

Illustration 1 – Eligibility Requirements

Credits Toward Eligibility

You receive credit for an hour of service for each hour you are paid while employed under the collective bargaining agreement by signatory employers in the longshore industry in the Port of Virginia. Hours paid to you at the time-and-a-half or the double-time rate count only as one hour. Under some circumstances you may receive credit towards the minimum 700 hour eligibility level for time when you were unable to work. Credit hours may be awarded in the case of the following:

Workers’ Compensation: Employees who receive temporary total or temporary partial workers’ compensation benefits receive credit towards their benefit eligibility. The amount of the credit is based upon the vacation and holiday benefits you qualified for during the year prior to your accident but are prorated for only the period that workers’ compensation benefits were received. No credit hours are granted for permanent total or permanent partial workers’ compensation disability benefits or “lump sum” compensation settlements. If there is a retroactive declaration of Permanent Disability by a court or a commission that has jurisdiction in the case, the eligibility credits that you have received will be adjusted.

Illness: You may also receive credit hours when you are ill and drawing short term disability insurance benefits from the HRSA-ILA Welfare Fund. Employees who receive short term disability benefits shall receive 20 hours per week credit for the purposes of determining eligibility, but no more than 700 hours credit. For purposes of determining eligibility for the second, third or sixth week of vacation pay, the number of hours credited toward eligibility is limited to 400 hours.

Service in the Uniformed Services: You may receive credits for the time spent in the uniformed services toward your eligibility for vacation and holiday 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 credit for the time spent in the uniformed services up to five years under USERRA to the extent necessary to preserve your eligibility for 3 and 6 week vacation 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.

Training Hours: Hours worked as training are added only at the end of the contract year if the credit is needed to qualify for a vacation and holiday benefit.

Pay of Benefits

Vacation and holiday benefits are paid automatically to those who qualify. Vacation and holiday benefits earned during a contract year are paid before March 15 in the year following the end of the contract year.

Electronic Direct Deposit of Your Vacation & Holiday

The HRSA-ILA Vacation & Holiday Fund offers two methods of payment for your benefit. You may receive your check by mail or you may elect to have it electronically deposited to your bank account. Electronic direct deposit is a safe and efficient means of transferring your vacation and holiday money from the Fund to your bank account eliminating the chance of your check being lost in the mail. A confirmation mailed by the Fund will tell you how much money was deposited to your account. You may choose direct deposit any time, but we must receive your completed Direct Deposit Form not later than two weeks before a scheduled benefit payment. To enroll in direct deposit simply bring or mail the form included in the Personal Section of this notebook to the HRSA-ILA Participant Services Department. You may also use the HRSA-ILA website, www.hrsa-ila.com, or the Interactive Voice Response system to request a form by dialing (757) 423-3090 or call Participant Services at (757) 457-7090.

COMPUTATION OF BENEFITS

Hours Paid

Holidays and vacation weeks are converted to hours for payment. Holidays are paid at eight (8) hours per day or 128 hours for the sixteen (16) holidays:

8 hours x 16 days = 128 hours

Vacations are paid at forty (40) hours per week:

WEEKS		HOURS PAID
1 x40	=	40
2x40	=	80
3x40	=	120
6x40	=	240

Rate of Pay for Vacation & Holiday Benefits

Vacation and holiday benefits are paid at the pay rates in effect during the contract year that they are earned. The basic straight time rate that you qualify for under the Collective Bargaining Agreements is used in computing your vacation and holiday benefits.

Deductions From Vacation & Holiday

Annuity & Savings Plan: You may elect for all or part of your vacation or holiday 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 W-4 form. The W-4 election is currently used as the default if you have not submitted a form electing the alternate method. Use the Vacation & Holiday Election Form found in the Personal Section to select a deduction option. Additional forms are available in the Participant Services Department at HRSA-ILA, your Local Office, the HRSA-ILA website, www.hrsa-ila.com, or you may request the form from the IVR by calling (757) 423-3090. Your selection will remain in effect until you change it with a new election form.

Each year that you receive vacation and holiday benefits you will receive a W-2 Form in January. The W-2 will show the amount of benefits that you received and the amount of taxes withheld. When you prepare your taxes, you must include Vacation & Holiday Fund benefits as wages and attach the W-2 to your tax reports.

Union Dues: Union Dues (check-off) are withheld at the rate of 1% per hour of the base rate of pay. These rates may be found in the current Collective Bargaining Agreement covering your local between the Hampton Roads Shipping Association and the International Longshoremen's Association.

Garnishments and Levies: Sometimes the Fund is served with a garnishment summons from a local court or with an IRS levy from the Internal Revenue Service. The summons or levy directs the Fund to withhold all or a portion of the vacation or holiday 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 the Fund will send a notice showing the amount withheld from your benefits.

The Fund is required by law to honor a court order. If you object to the 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 vacation and holiday benefit.

BENEFIT LIMITATIONS

Loss of Benefits

Your benefits will cease in any year in which your work hours or credit hours equal less than 700 (see page 58).

Contributions

Contributions to the Fund are made pursuant to the Collective Bargaining Agreements.

The Trust Fund

Legal title to all monies paid into the Vacation & Holiday Fund are vested exclusively in the Trustees of the Fund, and no Participant, the ILA, nor the HRSA or any Employer has any right, title or interest in the monies. The money can only be used to provide benefits to the Participants of the Plan and none of the money can revert to the Employers.

Claims

Payment of benefits will normally be made automatically. You do not have to file a claim for benefits. However, if you feel you have not received a benefit to which you were entitled, you should contact the Fund's Participant Services Department to file a claim.

Appeal of a Denied Claim

See the Administration Section of your Summary Plan Description for procedures on appealing a denied claim (page 5).

Non-Alienation of Benefits

You may not transfer, assign, pledge or encumber your vacation and holiday benefits before they are actually paid to you.

Termination of Plan

The Fund will terminate when it fulfills the obligations of the employer members to provide vacation and holiday benefits under the Collective Bargaining Agreements.

If after all obligations have been paid there remain surplus monies, the surplus will be transferred to any trust fund or welfare fund that has been or may be created by the parties pursuant to the Collective Bargaining Agreement, such as the HRSA-ILA Fringe Benefit Fund.

Information Requested by the Plan Administrator

You must furnish to the Administrator such information as may be required to administer your benefits.

GOVERNING LAW

The operation of the Plan, and the interpretation of any of its provisions, is governed by the laws of the Commonwealth of Virginia and by the Employee Retirement Income Security Act of 1974.

Please see the Administrative Section of this Summary Plan Description for important information concerning your ERISA rights (page 3).

NOTE: This description is a summary of your rights and benefits under the Vacation & Holiday Fund. It does not in any way alter or modify any of the provisions of the Fund itself. In the event of a conflict between the Fund's Plan document and this summary description, the Plan document will control. The full details of the Vacation & Holiday Fund are contained in the Plan document and other reports which you may review by request to the Plan Administrator.

QUESTIONS OFTEN ASKED ABOUT THE HRSA-ILA VACATION & HOLIDAY 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, your employer or its insurance carrier will send compensation reports.

What if I dispute the number of hours my employer reports?

You will receive an Eligibility Certificate in November which shows the number of hours reported on your behalf. If you disagree with the number of hours reported you should contact Participant Services for a detail work history. You may also call the Interactive Voice Response System (IVR) at (757) 423-3090 to request a copy of your detail work history. If your claim is not resolved, you have 30 days following the end of the calendar year to file a grievance with the Administrator.

Will I receive benefits if I am sick?

If your illness is covered by the HRSA-ILA Welfare Fund, you will receive 20 hours per week credit during the period you qualified for weekly income benefits but no more than 700 hours credit. For the second, third or sixth week of eligibility, credited hours shall not exceed 400 hours. You may not receive credit for short term disability benefits and workers' compensation during the same period even if the medical conditions for which you receive the benefits are different.

Will I receive benefits if I am injured on the job?

Yes, employees who receive temporary total or temporary partial workers' compensation benefits receive prorated credit for the purpose of determining benefit eligibility. The credits are based on the rate necessary to continue the employee's benefits at the same level as during the year prior to their injury but are prorated for only that period that workers' compensation was received. If you receive less than 52 weeks of workers' compensation during an eligibility year, the credits alone may not be sufficient to qualify for the prior benefits.

What is counted in determining my vacation and holiday benefits?

Work hours, military service credit hours, workers' compensation credit hours and Welfare weekly income credit hours are added together to determine your eligibility for vacation and holiday benefits.

When is the benefit paid?

Benefits earned under the Vacation & Holiday Fund are paid by March 15 following the contract year earned.

How will I know if I earn Vacation & Holiday Fund benefits?

You will receive an Eligibility Certificate in November which will show if you have earned vacation and holiday benefits. You will be paid for the benefit automatically if you qualify. If you believe you are entitled to a benefit and you do not receive one, contact Participant Services (757) 457-7090.

Will my spouse continue receiving vacation and holiday benefits if I die?

Any unpaid vacation and holiday 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.

IMPORTANT NAMES AND ADDRESSES

FUND SPONSORS

Hampton Roads Shipping Association
236 E Plume Street
Norfolk, VA 23510-1726
Phone: (757) 622-2639

International Longshoremen's Association
1355 International Terminal Boulevard, Suite 201
Norfolk, VA 23505-1458
Phone: (757) 440-9420

A complete list of employers sponsoring the Plan may be obtained by the participants and beneficiaries upon written request to the Plan Administrator. This list is also available for examination during regular office hours at 1355 International Terminal Boulevard, Norfolk, VA 23505-1458.

AGENT FOR SERVICE OF LEGAL PROCESS

Board of Trustees
HRSA-ILA Vacation & Holiday Fund
1355 International Terminal Boulevard
Norfolk, VA 23505-1458
Phone: (757) 457-7090

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 Vacation & Holiday Fund in whole or in part at any time.