

American Maritime Officers Pension Plan general information regarding distributions, payments and medical benefits

In order to provide useful information for AMO Pension Plan participants who are considering filing an application for AMO Pension benefits and/or Money Purchase Benefits (MPB), the following is a summary and some general answers to frequently asked questions:

WHAT IS THE DEFINITION OF RETIREMENT?

To be considered retired you as a participant must withdraw completely from any further employment aboard any vessel; surrender your Merchant Mariner Document to the trustees; and deposit with the Plan satisfactory documentary proof of your withdrawal from membership in the union. However, if qualified (as described below), the AMO Pension Plan has an in-service lump sum distribution option that allows you to receive a lump sum Pension distribution and continue to work in AMO Covered Employment.

WHAT IS AN IN-SERVICE LUMP SUM DISTRIBUTION (GROUP I ONLY)?

An in-service lump sum Distribution permits you to receive a lump sum payout upon attainment of the Alternate Normal Retirement Age (see below) and continue to work in Covered Employment only. No additional pension credit will accrue after receipt of a lump sum payout; however, under certain employment, MPB contributions will continue.

WHAT IS THE ALTERNATE NORMAL RETIREMENT AGE REQUIREMENTS TO RECEIVE A LUMP SUM DISTRIBUTION (GROUP I ONLY)?

- I. (a) At least 20 years of pension credit earned as a result of employment under a deep sea or Great Lakes Agreement with the union; or,
(b) Effective August 1, 2000, for employees with an hour of service on or after that date, a combination of 20 years of pension credit under a deep sea, Great Lakes and inland waters Agreement without regard to past service credit or,
(c) A combination of 20 years under a deep sea, Great Lakes, or inland waters Agreement and Group V (formerly the District 2A Pension and Severance Plan) if at least 10 years of pension credit was earned as a result of employment under a deep sea or Great Lakes Agreement with the union; and
- II. The participant's combination of years of pension credit and age totals a minimum of seventy-five (75); and
- III. The participant is eligible for Pensioner's Cost of Living Adjustments.
- IV. A Pre-Retirement Optional Form of Benefit election for a lump sum distribution must be on file with the Plan office for at least six (6) months prior to your Pension Effective Date.

WHAT IS THE DEFINITION OF NORMAL RETIREMENT AGE?

You reach Normal Retirement Age on the later of age 65 or the fifth anniversary of the date you first received credit under the Plan provided that if you have less than five years of vesting credit and you are still employed or you have not incurred a one-year break in service prior to reaching Normal Retirement Age.

WHEN SHOULD YOU FILE FOR PENSION BENEFITS?

An application should be filed three months before your pension effective date. This will provide enough time for the Plan office to process your application and submit it to the Board of Trustees for approval.

WHAT IS THE APPLICATION PROCESS FOR DEFINED BENEFIT AND MPB?

- You may obtain an application for defined benefit pension and MPB by contacting the Plan office at (800) 348-6515 or via e-mail at amopension@amoplans.com or through the AMO Plans website www.amoplans.com.
- After submission of an application for Pension benefits and MPB, the process consists of:
 - Review of eligibility in accordance with the Rules and Regulations of the AMO Pension Plan,
 - If necessary, additional documentation may be requested, including:
- Copy of birth certificate of spouse (if married)
- Copy of marriage certificate (if married)
- All divorce documents from previous marriages including Qualified Domestic Relations Orders (QDRO) that indicate the portion of the pension benefit, if any, awarded to an Alternate Payee
- Past Service Pension Credit Certification and any Company Offset verification and calculation
- Verification of any credit recognizable under a Reciprocal Agreement with Seafarers Pension Plan, MEBA, or Group V
 - Calculation and detailed audit of your AMO pension benefit based on all Covered Employment and Past Service Credit, including actuarial review of company offset, Reciprocity Agreement benefit and, if applicable, any benefit payment to an alternate payee.

Please note: all actuarial or legal reviews are made by consultants to the Plan, and based on the circumstances may extend the time of the application process.

- An Irrevocable Letter (IL) will be sent to you to provide you with a detailed pension statement outlining your entire work history, including calculation of your pension benefit. The IL requires your agreement to the benefit calculation before payments can be made. The IL will be accompanied by all necessary documents for completion of your pension application.

•If you are eligible the Money Purchase Benefit (MPB), it is payable upon the earlier of death, retirement (including in-service lump sum), permanent withdrawal from the industry (365 days from your last day of Covered Employment), total and permanent disability, or in the case of payment to an alternate payee under a Qualified Domestic Relations Order, in accordance with the terms of the order.

•Please note, you may not borrow or request a distribution based on hardship from your MPB account.

•Your account balance may be distributed by direct rollover to a Traditional IRA, Another Employer Qualified Retirement Plan or directly to you (subject to taxation) in one of the following methods:

•Single payment;

•Non-transferable straight life annuity;

•10 annual installment payments.

•50% Joint and Survivor Annuity;

WHEN CAN YOU EXPECT A DISTRIBUTION OF YOUR PENSION AND MPB?

•Once the Plan receives your completed Irrevocable Letter and supporting documents confirming that you agree with the pension amount payable and you have completed an MPB application (if eligible), after approval is made by the Director of Benefits and Board of Trustees of the AMO Pension Plan, the benefit check will be distributed as per your instructions. The Plan will coordinate distribution of the MPB through the Newport Group.

•If the processing of the application is delayed beyond the effective date, benefits will be paid retroactive to the effective date and as soon as administratively possible.

WHEN CAN YOU EXPECT YOUR MONTHLY BENEFIT CHECK?

Monthly benefit checks are mailed from the Plan Office on the 15th of each month.

WHAT IS THE MEDICAL COVERAGE FOR IN-SERVICE LUMP SUM PENSIONERS AND HOW DO I REMAIN ELIGIBLE AFTER RETIREMENT?

•If you continue to work in Covered Employment following receipt of an in-service lump sum Pension benefit under the AMO Pension Plan, you and your eligible dependents, remain eligible for Active Employee coverage.

•To be eligible for medical benefits as a pensioner, in-service lump sum pensioners must declare retirement while still eligible for Active Employee Medical Benefits.

•Your Declaration of Retirement must be received by the Plan within 182 days after your last date of Covered Employment. Upon receipt of your Declaration of Retirement, you and your eligible dependents will revert to pensioners medical benefits provided the eligibility requirements are met and provided your Declaration of Retirement has been received in the Plan office prior to termination of Active coverage.

WHAT TYPE OF MEDICAL COVERAGE IS PROVIDED THROUGH THE AMO MEDICAL PLAN FOR RETIRED PENSIONERS?

The American Maritime Officers (AMO) Medical Plan includes Hospital, Medical, Prescription Drug, Optical and Scholarship Benefits for certain pensioners with 20 or more years of AMO pension credit and their eligible dependents (unless otherwise specified below).

•To be eligible for pensioner medical benefits, you as a pensioner must be eligible for coverage as an active participant under the AMO Medical Plan on your pension effective date.

•Pensioner medical benefits are dependent on both the level of your benefits in effect at the time your AMO pension benefit is effective and your number of years of pension credit, unless the Trustees specifically provide otherwise. The Trustees reserve the right to amend, modify or terminate, at any time and in whole or in part, pensioner medical benefits, both for current and/or future pensioners.

•Medical benefits for pensioners are subject to annual earnings limitation requirements.

•You and/or dependents are required to submit to the Plan (annually) a completed Pensioner's Medical Benefits Earnings Limitations and Coordination of Benefits form as well as a copy of your latest annual tax return as filed with the IRS. In the event that you and, or your dependent's earnings exceed the annual limitations established by the Plan's Rules and Regulations, medical benefits will not be available for that calendar year. (In the first calendar year, in which the earnings limitation is exceeded, benefits will cease as of the date you or your dependent's earnings meets the limitation). In the event that medical benefit payments are erroneously made on behalf of you or your eligible dependent during the calendar year in which earnings exceed the annual limitations, you or your dependent's will be required to reimburse to the Plan any overpayments made or they will be deducted from future medical benefits.

•SURVIVOR BENEFIT

In the event a pensioner receiving pensioner medical benefits predeceases his spouse, the surviving spouse and eligible dependent children continue to qualify for medical benefits, provided the surviving spouse is receiving a Survivor's Pension Benefit under the

AMO Pension Plan, or benefits were paid under the lump sum option. If the 60-month payout is in effect, the surviving spouse and eligible dependents will be entitled to medical coverage only for the remaining period of such 60-month payout. The Trustees reserve the right to amend, modify or terminate, at any time and in whole or in part, survivor benefits for current and/or future surviving spouses and dependents.

WHAT ARE SOME OF THE EXCLUSIONS AND LIMITATIONS FOR PENSIONER MEDICAL BENEFITS?

- The AMO Medical Plan does not provide medical benefits to any pensioner and/or any pensioner's dependent who has earnings from gainful employment that are in excess of the amount permitted under the Rules and Regulations of the AMO Medical Plan.

Deep sea/Great Lakes/inland waters - Calendar year earnings from gainful employment cannot exceed twice the maximum amount permitted by Social Security:

2008 Under age 65: \$27,120.00

Inland waters (Group IA only) - Calendar year earnings from gainful employment cannot exceed the maximum amount permitted by Social Security.

2008 Under age 65: \$13,560.00

- Pensioner and pensioner's dependents do not have hearing aid, dental coverage and annual co-insurance maximums no longer apply as of the Pension Effective Date.

- Upon being eligible for benefits under the Federal Medicare Program, Similar to Medicare benefits under the AMO Medical Plan will terminate.

- For those pensioners or pensioner's dependents eligible for pensioner medical benefits (deep sea/Great Lakes/inland waters) and also eligible for coverage under the Federal Medicare Program or its related programs, the Plan will supplement Medicare benefits up to the Medicare allowable rate and subject to Plan limitations and exclusions.

- No benefits are payable to any pensioner, or his dependent, who retires from a company that does not participate in the AMO Medical Plan, or who returns to employment aboard a vessel without prior approval by the AMO Pension Plan Trustees.

WHAT ARE THE RULES FOR PENSIONERS RETURNING TO WORK?

- Pensioners who wish to return to work on a vessel in either covered or non-Covered Employment must request in writing and receive written permission from the Trustees. If you return to Covered Employment you will have your pension suspended during the period of employment unless the Trustees determine there is a temporary shortage of qualified personnel, in which case they may determine that you may return to Covered Employment without loss of pension payments during the period of re-employment. This approval is within the AMO Pension Plan Trustees' discretion.

- If you return to Covered Employment under this provision with a company contributing to the AMO Medical Plan you will be eligible for medical coverage as an active employee upon meeting the eligibility requirements of the Medical Plan. Active Employee Medical Benefits for a pensioner who returns to Covered Employment will cease on the day following the last day of Covered Employment. If you were eligible for pensioner medical benefits you and your eligible dependents will revert to pensioner coverage after your last day of Covered Employment.

- If you return to employment aboard a vessel, including Covered Employment, without written permission from the Board of Trustees of the AMO Pension Plan you will incur penalties including repayment of pension benefits received and forfeiture of Medical Benefits under the AMO Medical Plan.

WHAT CAN I DO NOW TO EXPEDITE FUTURE PENSION BENEFITS?

If not already on file with the Plan office, please provide the required documentation including:

- Birth Certificates,
- Marriage Certificates,
- All divorce documents from previous marriages including QDRO's and any waivers or benefits payable to alternate payees,
- If applicable, proof of employment as a maritime officer under a qualified pension plan in the maritime industry,
- Any proof of employment that may be recognizable under a Reciprocal Agreement with any other maritime union (for example Seafarers Pension Plan),

WHERE CAN I GET THE BEST INFORMATION REGARDING FILING AN APPLICATION AND PAYMENT OF MY AMO PENSION BENEFIT AND MPB?

The AMO Plans can be contacted as follows:

- Telephone: (800) 348-6515
- Pension Plan e-mail: amopension@amoplans.com
- Web site: www.amoplans.com

We encourage you to contact our Smith Barney Financial Consultants with any investment-related questions for lump sum, MPB and 401(k) Plan distributions and for information regarding plans features, such as retirement planning, family wealth management, investment options, and mutual funds. Please call Larry Goldstock, Sam Brandwein or any of their service team at: (800) 975-7061.