

BENEFIT PLANS

MEBA MEDICAL & BENEFITS PLAN

MEBA PENSION TRUST

MEBA TRAINING PLAN

MEBA VACATION PLAN

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MEBA PENSION TRUST SUMMARY OF MATERIAL MODIFICATIONS *

This Summary of Material Modifications advises you of changes in the information contained in the MEBA Pension Trust Summary Plan Description ("SPD"), as required by the Employee Retirement Income Security Act of 1974. The Board of Trustees recently adopted amendments to the MEBA Pension Trust - Defined Benefit Plan and Money Purchase Benefit Plan (the "Plans") to conform to new legal requirements. Below is a summary of the changes to keep with your SPD.

New Optional Form of Payment

The opportunity to elect a **75% Regular Annuity Option** was added to the Plans. This form of payment provides monthly payments to you for your life and, upon your death, continues 75% of your monthly payment to your surviving spouse for the remainder of his or her life. If your spouse predeceases you, there is no change in the amount of your benefit.

As with all optional forms of payment under the Plans, you will be required to obtain your spouse's written, notarized consent to elect an optional form of payment. Also, your election must be on file with the Defined Benefit Plan for at least two years before your effective date of pension, or you must submit evidence of good health before your effective date of pension.

Direct Rollovers

If you are eligible to rollover all or part of a distribution from the Plans directly to another retirement plan, these changes would apply. Keep in mind; payments that are directly rolled over are not taxable income to you. Before you make an election you will receive details about your rollover options.

Eligible Rollover Distribution

The nontaxable portion of an eligible rollover distribution may be rolled over tax-free to another qualified plan, but only if the rollover is made in a direct trustee-to-trustee transfer and the recipient plan provides for separate accounting of the amount transferred and earnings on that amount.

* Unless otherwise indicated, this SMM applies to both the Defined Benefit Plan and the Money Purchase Benefit Plan under the MEBA Pension Trust, and to Towboat Employees and Staff Plan Employees covered by appendices to the Defined Benefit Plan.

Eligible Retirement Plan

An eligible retirement plan will include a Roth IRA (individual retirement account), provided the eligible rollover distribution is considered a qualified rollover contribution under Code Section 408A(e). For purposes of distributions to a non-spouse designated Beneficiary, eligible retirement plan shall mean an inherited IRA as defined in Code Section 408(d)(3)(C).

IRS Code Section 415

Compensation

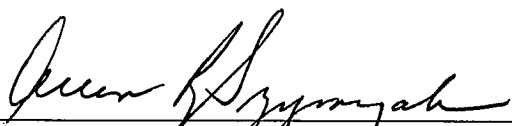
The definition of compensation under the Plans that must comply with IRS Code Section 415 was changed to include amounts paid after termination of employment (to the extent the amounts would otherwise be taken into account), provided the payments are made within the later of 2 1/2 months after you terminate employment or the end of the year that includes your date of termination.

Maximum Benefits

For purposes of calculating maximum retirement benefits, Code Section 415 may require the Plans' benefits be aggregated with other employer's benefit plan(s). If this is required and it becomes necessary to adjust benefits, the benefits of the other plan(s) are reduced to the extent necessary to comply with Code Section 415.

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If you have any questions regarding these changes, contact the Pension Department at the Plan Office by calling 410-547-9111 or 800-811-6322. Keep this notice with your SPD so that when you refer to the SPD, you will be reminded that the changes described in this notice have occurred.



Allen R. Szymczak, Administrator