

MEBA MEDICAL & BENEFITS PLAN

MEBA PENSION TRUST

MEBA TRAINING PLAN

MEBA VACATION PLAN

BENEFIT PLANS

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SUMMARY OF MATERIAL MODIFICATION MEBA PENSION TRUST (Defined Benefit Pension Plan)

At their July 17, 2008 Trustees meeting, the Board of Trustees adopted changes to the Defined Benefit Pension Plan in three important areas: (1) a new partial lump sum payment is being offered; (2) certain post-retirement work restrictions are being relaxed; and (3) credit for attendance at the Calhoun MEBA Engineering School is being modified. Please read below for the details.

I. PARTIAL LUMP SUM COMBINED BENEFIT OPTION ADDED TO PENSION PLAN'S LINE-UP

The Board of Trustees amended the Plan Regulations making available to Participants a "Combined Benefit Option" composed of a partial lump sum in conjunction with a partial monthly annuity. The Combined Benefit Option is immediately available to all Participants who have not begun their payment, including those whose pension applications have been filed with the Plan Office.

Form of Payment

The Combined Benefit Option permits a Participant to choose 50% of his pension payable as a lump sum benefit and the remaining 50% in the form of one of the monthly annuity options. The monthly annuity options have not changed and are: 50% survivor option, 100% survivor option, 50% pop-up option, 100% pop-up option. As with other optional forms of payment, if you are married and want to receive this new option, you must obtain your spouse's written consent.

Lump Sum Election Requirements

The same requirements applicable to electing the full lump sum option are applicable to the 50% partial lump sum. A Participant must have 20 or more years of Pension Credit and have attained at least age 50. A valid election (described below) must be on file.

Survivor Option Election Requirements

The requirements to elect or change an option, including the new Combined Benefit Option, remain unchanged. For your election to be valid it must be filed in writing with the Plan Office at least two years before the effective date of your pension. If you change your election, any new election must be on file for two years before it can replace your previous election.

The two-year election filing requirement can be waived if you submit a Statement of Health to the Plan Office for approval prior to the effective date of your pension. Statements of Health and Survivor Option Election forms are available from the Plan Office in Baltimore or on the Plan's website at www.mebaplans.org.

Section 415 Limitations

The IRS Code Section 415 Limits apply on a pro-rata basis to both the partial lump sum and the monthly annuity paid under the Combined Benefit Option. Should the Section 415 limits increase, no adjustments will be made to the partial lump sum benefit. Pro-rata adjustments will be made on the amount of the monthly annuity until such time as the monthly annuity reaches the maximum amount the participant would have received in the monthly portion of the Combined Benefit Option had he not been limited by Section 415 at the time and age of retirement.

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II. POST RETIREMENT PROHIBITED EMPLOYMENT RULES AMENDED

The Trustees amended the post retirement employment rules effective February 21, 2008, as follows:

Previously if any part of a Licensed Officer's Pension Credit was based on employment as a port engineer, port electrician, or hull inspector, the Officer could not return to any Maritime Employment during his restricted period. The restricted period began on the effective date of the Officer's pension and lasted for the number of days equal to the number of days for which pension credit was earned in employment as a port engineer, port electrician or hull inspector. This restriction applied to employment with any employer.

As amended, this rule still applies to an Officer who seeks employment with an employer that does not participate in the MEBA Pension Trust. It will also continue to apply to an Officer who has a restricted period of 365 days or more in length.

However, beginning on February 21, 2008, this provision is waived for an Officer whose restricted period is less than 365 days, provided the post retirement employment is with an Employer that participates in the MEBA Pension Trust.

III. DEFINITION OF COVERED EMPLOYMENT FOR DAYS OF ATTENDANCE AT THE MEBA SCHOOL AMENDED

The Trustees amended the Plan Regulation's definition of Covered Employment for days of attendance at the MEBA School effective October 1, 2008.

Days of attendance at the Calhoon MEBA Engineering School for which a Training Allowance was paid in accordance with the MEBA Training Plan Regulations have been considered days of Covered Employment under the MEBA Pension Trust since 1994. The Training Allowance was considered when computing an Officer's base pay for pension calculation purposes.

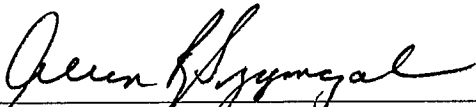
Effective October 1, 2008, the Training Plan will no longer pay a Training Allowance and the Trustees have modified the definition of Covered Employment as follows:

Covered Employment shall include:

- Days of attendance at the Calhoon MEBA Engineering School from August 1, 1994 to September 30, 2008, for which a training allowance is paid in accordance with the MEBA Training Plan Regulations; and
- Days of attendance at the Calhoon MEBA Engineering School on and after October 1, 2008, provided the Officer is not receiving a Vacation Benefit from the MEBA Vacation Plan or receiving wages from an Employer.

The Training Allowance paid by the MEBA Training Plan while attending the School will count in computing an Officer's base pay only through September 30, 2008.

Please contact the Plan Office if you have any questions.


Allen R. Szymczak, Administrator

August 2008