

**RULES AND REGULATIONS PROVIDING BENEFITS  
OF  
THE MEBA VACATION PLAN**

**(Amended and Consolidated through Amendment No. 17-1)  
08/24/17**

Application forms may be obtained from any MEBA Branch Office or from the Vacation Plan Office.

**1. COVERAGE**

You are covered under the MEBA Vacation Plan – Atlantic, Gulf and Pacific Coasts, if you have worked on or after June 16, 1954, on a vessel operated by a Company which is a party to a collective bargaining agreement with the National Marine Engineers’ Beneficial Association, AFL-CIO, and its affiliates, including District No. 1-Pacific Coast District, MEBA.

**2. FILING OF APPLICATIONS FOR VACATION BENEFITS**

- (A) Applications may be mailed to the main office of the Plan in Baltimore.
- (B) Applications may be filed in person at any of the Union branch offices where the Plan maintains an office.
- (C) The application must be completed on both sides and signed where indicated. Applications must be accompanied by the following documents:
  - 1) Voucher of last vacation benefit check.
  - 2) Original Coast Guard Discharges or Discharge Book covering sea voyages.
  - 3) Company pay vouchers covering port time, unearned wages, or travel time to the vessel, if applicable. In no instance are vacation benefits payable for travel time from the vessel.
  - 4) Proof that Social Security taxes and State taxes, if applicable, are paid up.
- (D) The Plan will honor a written request from an application for vacation benefits which authorizes the payment to and/or assigns to District No. 1-Pacific Coast District, MEBA, and any affiliate, a percentage or portion of the vacation benefits to which he is and/or will be entitled for the payment of Union dues or service charge, and the Plan will honor a written assignment from an applicant of any benefits to which he may be entitled hereunder in favor of an organization or entity approved by the Trustees. Such requests shall be on forms approved by the Administrator.

**3. VACATION BENEFITS**

- (A) A Licensed Officer must, in order to be eligible for vacation benefits, have a minimum of 30 days of employment within a 720-day period for which vacation benefits have not been previously paid. In the computation of such minimum

requirement, all employment under a collective bargaining agreement between a Company and District No. 1 – MEBA, shall be accumulated and considered. However, a Licensed Officer may receive vacation benefits based on less than 30 days of employment provided:

- 1) he has no carry-over vacation (either regular vacation carry-over or converted overtime carry-over) on the books at the time he applies for vacation; and
- 2) he takes all of the vacation (regular and converted overtime) earned on the less than 30 days of employment.

(B) A Licensed Officer meeting such minimum requirement shall be eligible for vacation benefits for employment with one or more participating companies, as follows:

- (1) For all covered employment up to and including June 30, 1992, the vacation benefit shall be calculated on the basis of the appropriate rules and instructions that were in effect prior to July 1, 1992.
- (2) For all covered employment on or after July 1, 1992 (or such other date after July 1, 1992 as provided in the collective bargaining agreement), on a vessel which is designed primarily as a container carrier, barge carrier, automobile carrier, roll-on roll-off or OBO vessel, the vacation benefit shall be calculated as follows, unless otherwise provided in the collective bargaining agreement:
  - (a) 26 days of vacation for each 30 days of covered employment for Second and Third Assistant Engineers and Mates.
  - (b) 30 days of vacation for each 30 days of covered employment for First Assistant Engineers and First Mates, and Chief Engineers and Masters.
- (3) For all covered employment on a tanker vessel between July 1, 1992 and June 30, 1993, the vacation benefit shall be calculated as follows:
  - (a) 19 days of vacation for each 30 days of covered employment for First, Second and Third Assistant Engineers and Mates.
  - (b) 22 days of vacation for each 30 days of covered employment for Chief Engineers and Masters.
- (4) For all covered employment on a tanker vessel between July 1, 1993 and July 16, 1994 (or such other date after July 16, 1994 as provided in the collective bargaining agreement), the vacation benefit shall be calculated as follows:
  - (a) 20 days of vacation for each 30 days of covered employment for First, Second and Third Assistant Engineers and Mates.

- (b) 22 days of vacation for each 30 days of covered employment for Chief Engineers and Masters.
  - (5) For all covered employment on a tanker vessel on and after July 16, 1994 (or such other date after July 16, 1994 as provided in the collective bargaining agreement), the vacation benefit shall be calculated as follows:
    - (a) 18 days of vacation for each 30 days of covered employment for First, Second and Third Assistant Engineers.
    - (b) 20 days of vacation for each 30 days of covered employment for Chief Engineers and Masters.
  - (6) For all covered employment on and after July 1, 1992, on vessels not described in subparagraphs (B) (2) – (5), the vacation benefit shall be calculated as follows:
    - (a) 22 days of vacation for each 30 days of covered employment for Second and Third Assistant Engineers and Mates.
    - (b) 30 days of vacation for each 30 days of covered employment for First Assistant Engineers and First Mates and Chief Engineers and Masters.
  - (7) For all covered employment with a participating Company that has a collective bargaining agreement with the Union that provides for different schedules of vacation benefits than those listed above, the vacation benefit shall be calculated in accordance with the provisions of the said collective bargaining agreement.
  - (8) In the event a vessel does not spend 48 hours in American Ports after a foreign voyage (to be measured from “Finished with Engines” to “Standby” where shore leave is available), the Licensed Officers who remain on the vessel for the subsequent voyage shall, for the period of the foreign voyage immediately preceding the vessel’s arrival in an American Port, have their vacation benefit calculated as stated in subparagraph (B)(2) above.
- (C) A Licensed Officer may elect to take part of his accrued vacation, including Converted Overtime Vacation, and carry over the balance. The election to take a Partial Vacation must be made at the time the Officer applies for Vacation Benefits. A Partial Vacation may be for any number of vacation days, provided that a maximum of 90 vacation days based on regular Covered Employment and 90 vacation days based on Converted Overtime days may be carried over at any time. If a Licensed Officer has exercised the option of taking less than the entire amount of his accrued vacation, including Converted Overtime Vacation, and a vacation balance remains, the Officer may return to covered employment or extend his Partial Vacation. A partial Vacation may be extended three times or, effective January 1, 2009, five times, subject to the following conditions:

- (i) The Officer may elect a First Extension of his Partial Vacation which may be for any number of vacation days, up to the balance of the carry over vacation.
- (ii) An Officer may return to covered employment at the end of a First Extension or a Partial Vacation or he may elect to take a Second Extension which may be for any number of vacation days, up to the balance of the carry over vacation. Notwithstanding the foregoing, effective January 1, 2009, an Officer may return to covered employment at the end of a First Extension or he may elect to take a Second Extension which may be for any number of vacation days, up to the balance of the carry over vacation.
- (iii) An Officer may return to sailing covered employment at the end of a Second Extension or he may elect to take a Third Extension if a carryover vacation balance exists. A Third Extension must be for the entire balance of carry over. Notwithstanding the foregoing, effective January 1, 2009, an Officer may return to sailing covered employment at the end of a Second Extension or he may elect to take a Third Extension which may be for any number of vacation days, up to the balance of the carry over vacation.
- (iv) Effective January 1, 2009, an Officer may return to sailing covered employment at the end of a Third Extension or he may elect to take a Fourth Extension which may be for any number of vacation days up to the balance of the carry over vacation.
- (v) Effective January 1, 2009, an Officer may return to sailing covered employment at the end of a Fourth Extension or he may elect to take a Fifth Extension which may be for any number of vacation days up to the balance of the carry over vacation.
- (vi) If the Officer returned to sailing covered employment, for which vacation benefits are payable, at any time between his Partial Vacation and First Extension, or between his First Extension and Second Extension, he may elect to receive all or a portion of his carry over vacation but may not receive benefits accrued on his new covered employment unless he has worked in such covered employment for at least 30 days. If the Officer has carry over vacation and returns to sailing covered employment at the end of his Second Extension, he may elect to receive the balance of his carry over vacation but may not receive benefits accrued on his new covered employment unless he has worked in such covered employment for at least 30 days. In no event shall an Officer be permitted to take more than three Extensions of a Partial Vacation including a Partial Vacation that is based upon or that includes Converted Overtime Vacation.
- (vii) An Officer who elects to receive days of Vacation in lieu of overtime pay in accordance with Section 6 may elect to take all of his Converted Overtime Vacation or he may elect to take part of his Converted Overtime Vacation and carry over the balance under the rules and conditions outlined in this Section 3(C). If an Officer elects to take only part of his Converted Overtime Vacation and carry over the balance, the Converted Overtime Partial

Vacation, including Extensions, will be paid at the rate in effect during the employment period in which the Overtime was earned. In addition, the Converted Overtime Partial Vacation, including Extensions, must be taken immediately preceding the regular Vacation, Partial Vacation or Extensions.

- (D) Thirty days shall constitute one month. Twelve months or 360 days shall constitute one year.
- (E) The amount of vacation shall be prorated in accordance with the base rate of pay received by the Licensed Officer in the period used for computing eligibility or otherwise computed as set forth in the collective bargaining agreement.
- (F) There shall be no cash allowance in lieu of vacation.
- (G) Port Relief employment is prohibited during the period of an Officer's vacation.

#### **4. MAXIMUM EMPLOYMENT PERIOD**

Vacation benefits outlined in Section 3 may be accumulated on a maximum of 315 days of covered employment within 720 consecutive calendar days. The maximum benefit accrual shall be that vacation accrued through the end of the voyage in which the 315<sup>th</sup> day of employment occurred. However, the Officer may take one additional voyage providing a relief replacement is not available and the appropriate Union official who has been certified as such by the Association to the Administrator of the Plan so certifies this fact by giving a letter at the time to the Plan Office and the Officer that permission for the additional voyage has been granted. The Plan Office will forward a copy of the letter to the Company involved.

Reduced Operating Status ("ROS") employment and sea-trial employment aboard Ready Reserve Fleet vessels shall not count for purposes of the 315-day maximum employment rule outlined in this Section.

#### **5. MAXIMUM BENEFIT ACCRUAL PERIOD**

The maximum benefit accrual period shall be the end of the voyage in which the 720<sup>th</sup> consecutive calendar day, during which no vacation benefits have been paid, occurs. However, an Officer may take one additional voyage providing a relief replacement is not available and the appropriate Union official who has been certified as such by the Association to the Administrator of the Plan so certifies this fact by giving a letter at the time to the Plan Office and the Officer that permission for the additional voyage has been granted. The Plan Office will forward a copy of the letter to the Company involved.

With respect to both the 315-day maximum employment period in Section 4 above and the 720-day maximum accumulation period in this Section 5, the penalty for excess sailing shall be loss of credit for vacation purposes on the employment which is in excess of the periods hereinabove provided.

Reduced Operating Status ("ROS") employment and sea-trial employment aboard Ready Reserve Fleet vessels shall not count for purposes of the 720-day maximum accumulation period outlined in this Section.

**6. CONVERTED OVERTIME AND SUPPLEMENTAL PAY**

Unless otherwise provided in the collective bargaining agreement, an Officer may elect to convert all or part of his overtime pay or all or part of his supplemental pay, into days of vacation. Such election must be made at the time the voyage commences. The appropriate form must be completed by the Officer and an authorized Company representative and submitted with the Application for Vacation Pay. A period of vacation based on converted overtime or supplemental pay must be taken immediately preceding the regular vacation period and will be computed in accordance with the following formula:

$$\text{Gross Overtime or Supplemental Pay} \div \text{Daily Vacation Wage} = \text{Vacation Days}$$

A Licensed Officer may elect to take part of his Converted Overtime Vacation benefit and carry over the balance. The rules covering Partial Converted Overtime Vacations are described in Section 3(C) hereof.

**7. DAYS OF VACATION DO NOT COUNT AS DAYS OF WORK**

Days of vacation shall not constitute days of work for the purpose of determining vacation benefits.

**8. COMMENCEMENT OF VACATION**

A vacation period will commence the day following the last day of Covered Employment, unless a request is made by the Officer for a later commencement date at the time the Application for Vacation Pay is filed. In no event will a vacation period be assigned prior to the last day of covered employment. Vacation benefits are not payable until the vacation period commences.

**9. VACATION MUST BE TAKEN**

In order to collect vacation benefits you must be off the ship for the full period of your vacation after the vacation has been earned, except in cases where the collective bargaining agreement of the Employer expressly provides that you may remain on the ship even though vacation benefits have been paid by the Plan.

A vacation must be taken in one continuous period. When an Officer applies for vacation benefits, he shall be paid on a pro-rata basis for all accumulated work performed to the date of application. Failure to submit proof of all accumulated work performed to the date of application may result in loss of vacation benefits earned on the employment not submitted.

**10. EARLY RETURN FROM VACATION**

Written permission from the Union to return to work prior to the end of a vacation period will constitute an early return and must be made up no later than the Officer's next vacation. If prior written permission is not obtained and the Officer returns to work early, he will be subject to a penalty which is loss of vacation benefits for the next six months (180 days) of employment.

An Officer who is requested by the Union to return to work prior to the end of his vacation period due to an emergency situation and who completes the balance of his vacation after such emergency, is required to make up only the actual days worked. Such days worked shall be made up no later than the Officer's next vacation period; provided, however, that in the event of war, national emergency or a shortage of personnel resulting from a Federal Reactivation of vessels or other cause, the Trustees in their discretion, may determine that a return to work prior to the end of a vacation period will not constitute an early return for which the early return days must be made up.

**11. REQUIRED TIME OFF**

A Licensed Officer may be required to take time off without pay in each contract year, said time off to follow a vacation period. The Trustees of the Plan shall have the discretion to determine the number of days Licensed Officers may be required to take off in any contract year without pay, said time off to follow a vacation period.

**12. TRAVEL TIME**

- (A) Travel time to a vessel in a foreign port is creditable for vacation purposes unless otherwise provided in the collective bargaining agreement.
- (B) Travel time to a vessel in an American port is not creditable for vacation purposes.
- (C) Travel time from a vessel is not creditable for vacation purposes.

**13. RETURN TO VESSEL AFTER VACATION**

- (A) Following the completion of vacation, an Officer shall, whenever possible, rejoin his vessel at his previous rating or be assigned to any other available vessel of the Company in an equivalent position to the first vacancy, or as otherwise mutually agreed.
- (B) No transportation is obligatory to effect such return to duty on his vessel.
- (C) All previous Rules and Instructions and interpretations heretofore adopted, which are not in conflict with the above, shall continue in effect.

**14. SURVIVOR BENEFITS**

Any vacation benefits payable at the time of an Officer's death will be paid to his survivor(s) in accordance with the Regulations of the MEBA Medical and Benefits Plan.

**15. PORT RELIEF WAGE PROGRAM**

- (A) When a vessel is in the continental United States or Hawaiian port, on Saturdays, Sundays and recognized holidays, and between the hours of 4 P.M. and 8 A.M. on weekdays (Monday through Friday) and the regular Officer(s) leaves the vessel, a Port Relief Engineer(s) may be employed. No Port Relief Engineer(s) is required if the vessel is in lay up or if the engines are shut down.

- (B) Port Relief wage rates are paid in accordance with the terms of the applicable collective bargaining agreement.
- (C) Application for Port Relief wages may be made on the appropriate time sheet and certified by an authorized Company representative.
- (D) For work on and after September 16, 1965, night, holiday and weekend relief Officers are no longer entitled to any vacation credit and benefits, their base pay having been adjusted to include the vacation (benefit). However, vacation credit and benefits for work prior to September 16, 1965 will be calculated and paid by the Plan under the former rules, but without regard to the minimum of 30 days work.
- (E) Port Relief employment is prohibited during the period of an Officer's vacation.
- (F) The Plan will honor a written request which authorizes payment to and/or assigns to District No. 1 – Pacific Coast District, MEBA, and any affiliate, a percentage or portion of the vacation factor which is included in the payment for night, holiday and weekend relief work for the payment of Union dues or service charge. Such requests shall be on a form approved by the Administrator.

## **16. APPEAL PROCEDURE**

If a person files a claim for benefits and payment of the benefits is wholly or partially denied, the Administrator shall, within ninety (90) days of the date the claim for benefit was filed, provide notice in writing to such claimant setting forth the specific reason or reasons for denying payment of the benefits, which reasons shall be stated in as clear a manner as possible and in a fashion calculated to be understood by the claimant. If special circumstances require additional time for processing the claim, written notice of this extension of time shall be sent to the claimant within the ninety (90) day period. Such extension shall not exceed one hundred and eighty (180) days from the date the claim was filed.

Any notice sent by the Administrator denying, in whole or in part, any claim, shall also make reference to the specific and pertinent provisions of the Rules and Instructions upon which the denial is based, and, if appropriate, shall also describe any additional material or information necessary for the claim to be honored along with an explanation of why such material or information is necessary. Such notice shall also include a statement that the claimant has a right within sixty (60) days of written notification of the denial of the claim, in whole or in part, to request in writing a review by the Trustees of the decision denying the claim.

A claimant whose application for benefits is denied in whole or in part shall have the right to file a request for review of the denied claim within sixty (60) days of the date of the mailing of the written notification of the denial of the claim. The claimant or his duly authorized representative shall have the right to review pertinent documents concerning the claim and to submit issues and comments in connection with the appeal in writing.

All such appeals or requests for review of the decision denying, in whole or in part, any claim, shall be referred by the Administrator to the Chairman and Secretary of the Trustees. If the request for review is made within sixty (60) days prior to the scheduled meeting of



the Trustees, the claim shall be referred to the subcommittee of the Trustees for determination. If the request for review or appeal is filed more than sixty (60) days prior to a scheduled meeting of the Trustees, the appeal or request for review may be referred by the Chairman and Secretary to one or more Trustees who shall be delegated to hear and determine the appeal.

A decision on a request for review or appeal shall be made within sixty (60) days after the Administrator's receipt of a request for review, unless special circumstances require an extension of time for the processing of the claim for review. In such event, a decision shall be rendered as soon as possible, but not later than one hundred twenty (120) days after receipt of the request for review. Written notice of the extension of time for the making of a decision on the request for review shall be furnished to the claimant prior to the extension.

The decision of the Trustees, the subcommittee, or the one or more Trustees to whom is delegated the authority to reach a decision on an appeal or request for review shall be in writing and shall be final and binding on all parties. The decision shall include specific references to the provisions of the Rules and Instructions upon which the decision is based. Any claimant or person filing an appeal or request for review shall have the right to appear in person and/or by his counsel before the Trustees, the subcommittee, or the Trustees who have been delegated authority to reach a decision or determination on the appeal. The Trustees hearing the appeal will consider the evidence presented and will listen to argument for a reasonable period of time on behalf of the appeal.

## **17. OVERPAYMENTS**

In the event an Officer is paid vacation benefits ("Benefits") in excess of the amount to which he was entitled pursuant to the appropriate rules, Regulations and interpretations of the Plan, whether on the basis of the Plan's error or the error or false statements of the Officer or a third party, the Officer is required to reimburse the Plan in full and the Plan shall be entitled to recover any such Benefits. Future benefit payments, if any, shall be made on the correct and appropriate basis.

The Plan has a constructive trust, lien, and/or equitable lien by agreement in favor of the Plan on any overpaid Benefits received by the Officer or a representative of the Officer (including an attorney) that is due to the Plan under this Section, and any such amount is deemed to be held in trust by the Officer for the benefit of the Plan until paid to the Plan. By accepting Benefits from the Plan, the Officer consents and agrees that a constructive trust, lien, and/or equitable lien by agreement in favor of the Plan exists with regard to any overpayment, and in accordance with that constructive trust, lien, and/or equitable lien by agreement, the Officer agrees to cooperate with the Plan in reimbursing it for all of its costs and expenses related to the collection of those Benefits.

Any refusal by the Officer to reimburse the Plan for an overpaid amount will be considered a breach of the Officer's agreement with the Plan that the Plan will provide the Benefits available under the Plan and the Officer will comply with the rules of the Plan. By accepting Benefits from the Plan, the Officer affirmatively waives any defense the Officer may have in any action by the Plan or Trustees to recover overpaid amounts or amounts due under any other rule of the Plan, including but not limited to a statute of limitations defense or a preemption defense, to the extent permissible under applicable law.

If the Officer refuses to reimburse the Plan for any overpaid amount, the Plan has the right to recover the full amount owed by any and all methods which include, but are not necessarily limited to, offsetting the amounts paid against any future Benefits otherwise payable to or on behalf of such Officer.

The Plan also may recover any overpaid Benefits by pursuing legal action against the party to whom the Benefits were paid. In the event it is necessary for the Trustees to file suit against an Officer or other party in order to collect any amount owed to the Plan arising out of or related to an overpayment or erroneous payment, such Officer or other party shall reimburse the Trustees for all reasonable attorneys' fees and costs of suit, and other professional fees and costs expended in connection with the Trustees' collection of any amounts owed to the Plan or the enforcement of any of the Plan's rights to reimbursement. In the event of legal action, the Officer shall also be required to pay interest at the rate determined by the Trustees from time to time from the date the Officer becomes obligated to repay the Plan through the date that the Plan is paid the full amount owed. The Plan has the right to file suit against the Officer in any state or federal court that has jurisdiction over the Plan's claim.

In the case of a deceased Officer, the Plan's rights apply to the decedent's estate and the estate is required to comply with the Plan's rules and procedures to the same extent as an Officer.