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## Assessments Bulletin 2008-2009

**To:** Longshore Payroll Services Users, Vessel Operators, Agents for Vessel Operators, Contracting Stevedores, Terminal Operators, and other Parties who, through contracts or other arrangements, have assumed obligations required by Collective Bargaining Agreements which include participation in Benefit Plans administered by PMA.

Assessment rates for the 2008/2009 fiscal year have been approved by the Board of Directors and have been posted to the PMA Internet site at [www.pmanet.org](http://www.pmanet.org). Man-hour assessments are effective for the payroll week beginning 8:00 a.m. June 28, 2008. Tonnage assessments are effective for cargo reported on vessels sailing after 12:01 a.m. July 1, 2008.

2008/2009 Man-hour rate and TEU benefit rates each will increase approximately 12%. These increases are the result of a \$115 million increase in benefits costs, of which nearly all is attributable to increases in the cost of pension (\$69M or approximately 60% of the total increase) and healthcare (\$45M or approximately 39%). The rise in benefits costs is 14% and brings the total cost of benefits to \$939 million.

The ILWU-PMA Pension Plan contributions will increase by \$69 million to \$247 million primarily due to required actuarial contributions. The large increase is not driven by plan changes negotiated in the 2002 contract (which increased the pension benefit to \$63,000 per year), but is primarily due to deferred actuarial costs of benefit increases from the 80's and 90's.

Health costs are increasing by \$45 million to \$507 million. The majority of the increase can be attributed to medical inflation and utilization of the plan. The health costs per active registrant now exceed \$33,500, an increase of 8% over the prior year.

*The approved assessment rates do not take into consideration any increases in benefits costs which may occur as a result of the current 2008 Negotiations*