



Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955

Office of the Administrative Manager
2323 Eastlake Avenue East
Seattle, WA 98102
(206) 329-4900
www.wctpension.org

Employer Bulletin

June 2025

TO: Participating Employers

FROM: Office of the Administrative Manager

RE: Revisions to Trustee Policy on Acceptance of Employer Contributions

The Trustees of the WCTPT are committed to providing our contributing employers with a complete understanding of the laws, regulations, and Trust rules that govern their obligations on behalf of their employees who participate in the Trust. These bulletins are intended to assist your legal, labor, and accounting staff in working effectively with our Administrative Offices. We welcome your feedback on any topic discussed.

The Trustees of the Western Conference of Teamsters Pension Trust have amended the long-standing Policy on Acceptance of Employer Contributions to provide bargaining parties with clearer understanding of rules governing their participation in the Trust. These changes were effective January 1, 2020.

The changes to the Policy are as follows:

1. Provision 3 of the Policy has been amended. It now states that a Pension Agreement will not be acceptable to the Trust if it contains *“Provisions that limit the persons on whose account contributions are to be made to those who have satisfied a specific minimum period of employment or seniority, except persons performing the work of the bargaining unit may, for a period not to exceed ninety (90) calendar days, be covered under a contribution rate not less than ten (10) cents per hour, including PEER, from their first date of employment or utilization.”*

2. Provision 6 of the Policy has also been amended. It now states that a Pension Agreement will not be acceptable to the Trust if it contains *“Provisions which permit or require pension contributions for persons who are not performing the work of the bargaining unit.”* Provisions 1, 2, 4, 5, 7, and 8 of the Trustee Policy on Acceptance of Employer Contributions remain unchanged.

To assist you in understanding changes to these rules, set forth below are frequently asked questions and common examples of factual situations:

1. Q. When is the effective date of these changes to Trust Policy?

A. The effective date of these changes is January 1, 2020. This does not mean the Pension Agreement has to be effective on or after January 1, 2020. It only means that as of January 1, 2020, the Pension Agreement will be reviewed and interpreted for acceptance based on these changes.

2. Q. *May the break-in rate be applied to persons who do not work regular part-time or regular full-time?*

A. Yes, the break-in rate can be applied to anyone who has satisfied a minimum period of employment or seniority including seasonal, casual, hiring hall persons and Temporary Agency Personnel (TAP).

3. Q. *Can a break-in rate be applied to persons who have already begun satisfying a specific minimum period of employment or seniority?*

A. No. The break-in rate may first apply to persons who begin satisfying a specific minimum period of employment or seniority.

4. Q. *Can pension contributions be required for any person if they are performing bargaining unit work?*

A. No. Pension contributions cannot be accepted on unincorporated owner operators and/or partners.

5. Q. *Can pension contributions be required for Temporary Agency Personnel (TAP) if they are performing bargaining unit work?*

A. Yes, pension contributions are due if Temporary Agency Personnel (TAP) are performing bargaining unit work. It is permissible to report Temporary Agency Personnel (TAP) at a break-in rate only if the language in the Pension Agreement explicitly states such. Otherwise, the regular rate applies.

To remind you of the existing rules, below are additional examples of commonly asked questions:

6. Q. *If a break-in rate is negotiated, must PEER be paid on such contributions?*

A. Yes. If the collective bargaining agreement (referred to herein as a Pension Agreement) contains participation at any PEER level (PEER/84, PEER/82 or PEER/80), the break-in rate must include PEER coverage as well, and provide the same PEER level.

7. Q. *Is it permissible for a negotiated break-in rate to be greater than 10¢ per hour?*

A. Yes. The bargaining parties may negotiate any break-in rate between 10¢ per compensable hour (including necessary funding for the appropriate PEER level, if any) and the existing total contribution rate in the Pension Agreement. For example, a Pension Agreement calling for a total break-in rate of 10¢ per hour which contained PEER/84, would need to indicate that 9¢ was for the basic contribution and 1¢ was for the 6.5% additional contribution required to fund the PEER/84 program. A Pension Agreement which called for a break-in rate of \$1.00 per hour which contained PEER/80, would need to indicate that 86¢ was for the basic contribution and 14¢ was for the 16.5% additional contribution required to fund the PEER/80 program.

8. Q. *Is it permissible to have more than one break-in rate in a Pension Agreement?*

A. Yes, under certain circumstances. If the bargaining parties have negotiated multiple contribution rates in one Pension Agreement then each contribution rate may have its own accompanying break-in rate. For example, a bargaining unit composed of drivers, warehouse and office may have regular contribution rates of \$1.00 per hour, \$1.50 per hour and \$2.00 per hour respectively, along with break-in rates of 10¢ per hour, 20¢ per hour, and 30¢ per hour respectively. However, the period during which the break-in rate applies must be the same for all persons in the bargaining unit, and the PEER level (if any) must be the same for all persons in the bargaining unit.

9. Q. *If a person begins service with a contributing employer, is subject to the break-in rate for the entire period required by the Pension Agreement, then terminates employment and is later rehired by the same employer, would the person be subject to another break-in rate period?*

A. No. The person must be reported at the full rate under the Pension Agreement governing their new position from their first hour of performing bargaining unit work. A person is only subject to a maximum of 90 calendar days of contributions at a break-in rate from any single contributing employer.

10. Q. *A person begins service with a contributing employer at one location, works 30 days under a contractually required 90-calendar day break-in rate, and is then laid off for 60 days. The person is recalled and is transferred to the employer's facility 500 miles away. This facility is governed by a different Pension Agreement, which also calls for a 90-calendar-day break-in rate. Is the person still subject to a break-in rate for pension contributions?*

A. No. The break-in rate is calculated from a person's first day of utilization in performing bargaining unit work and runs for consecutive calendar days, regardless of intervening layoff or discharge. The bargaining parties in this example had negotiated a 90-calendar-day break-in rate period. Therefore, the full contribution rate was due on the 91st calendar day after the person's initial date of hire or utilization regardless of the person's physical location of coverage under a different Pension Agreement.

11. Q. *May a break-in period of "three months" be negotiated?*

A. No. The maximum period of 90 calendar days allowed under Trustee Policy is not synonymous with a three-month period because three calendar months generally constitute 91 or 92 days.

12. Q. *May any of the contractual Pension terms besides the rate be altered for break-in rate persons?*

A. No. For example, the PEER level must be the same for all classifications utilizing a break-in rate under a single Pension Agreement. The basis on which contributions are made, such as "all hours compensated" must be the same for persons at the break-in rate as it is for those

receiving the regular rate of contributions. Only the contribution rate may be different during a break-in period.

13. Q. *May the bargaining parties determine a time period during which the break-in rate will apply that is different than the 90 calendar days stated in the Policy?*

A. Yes. The bargaining parties may use a different calendar-day period, so long as it applies to persons who have satisfied a specific minimum period of employment or seniority under the Pension Agreement and under no circumstances could any application of the formula chosen by the parties exceed any 90-calendar-day period. For example, the bargaining parties may wish to utilize a 30-calendar day period or a 60-calendar day period for the break-in rate. These are acceptable. However, under no circumstances may the period during which the break-in rate applies exceed the length of the probationary period provided in the Pension Agreement.

14. Q. *The Pension Agreement contains two different rates and meets the Trust's policy requirements for substantially different job classifications. Can the bargaining parties negotiate a break-in rate and, if so, does the break-in rate have to apply to all job classifications?*

A. Yes and no. The bargaining parties may negotiate a break-in rate for each group of substantially different job classifications. The bargaining parties may choose to negotiate the break-in rate to apply only to one group of job classifications being contributed upon at the same rate. The other group of job classifications in this example may have a different break-in rate, or no break-in rate at all.



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Employer Bulletin

June 2025

TO: Participating Employers
FROM: Office of the Administrative Manager
RE: Monthly Pension Reporting Requirements

The Trustees of the WCTPT are committed to providing our contributing employers with a complete understanding of the laws, regulations, and Trust rules that govern their obligations on behalf of their employees who participate in the Trust. These bulletins are intended to assist your legal, labor, and accounting staff in working effectively with our Administrative Offices. We welcome your feedback on any topic discussed.

When completing your reporting form(s), certain information is required by the Trust. Please ensure that the **correct name, social security number, and local union number** are listed for each. For employees newly hired or rehired, you must also provide a **hire date, address, gender, and date of birth**. This information is vital for actuarial purposes and required Trust mailings to participants. Likewise, termination dates are needed for each employee who terminates during the month.

The total number of hours being reported for each employee must be recorded in the hours column and the total amount being remitted for each employee must be listed in the amount due column. Please consult your labor agreement for the terms and conditions for calculating contributions per employee. Confirm that the total of the amounts due for each employee adds up to exactly the amount of your remittance (less any adjustments). The reporting form, along with your remittance for the total due, is to be sent to the address in the upper left corner of the reporting form. **Do not send your payments directly to the Administrative Office.**

Electronic Payments by ACH

The Trust accepts ACH (Automated Clearing House) payments for monthly and supplemental contributions. If you are interested in remitting contributions electronically, please contact the Administrative Office to request and complete the *Western Conference of Teamsters Pension Trust Agreement for Electronic Fund Transfers*. Once the signed agreement is returned, you will be provided with the Trust's banking information to begin remitting your payments electronically. Each time you initiate an electronic payment, you must email **wcpt-edi@wctp.com** and include the account name, coverage month, and remittance amount on the same day.

Electronic Reporting

The Trust also offers the option to report your monthly hours electronically. If you are interested in reporting your monthly hours electronically, you will need to contact the Administrative Office for the Electronic Reporting .csv File Format.

Employers utilizing electronic reporting should remember that by executing the Employer-Union Pension Certification they have agreed to provide all required data to the Trust the day the ACH payment is initiated or check issued to the Trust. The Trust requires that every Employer participating in electronic reporting provide the following data in the Trust's Electronic Reporting .csv File Format as follows:

1. Employee's complete Social Security Number.
2. Employee's full name.
3. Month in which the hours were worked/compensated.
4. Year in which the hours were worked/compensated.
5. Number of hours worked/compensated for that month.
6. Hourly Pension contribution rate.
7. Contributions Due.
8. Rate Class Code of the Employee
9. Applicable Local for each Employee.
10. Hire date if recently hired.
11. Termination date if recently terminated.
12. Account number assigned by the Western Conference of Teamsters Pension Trust Fund.

If no bargaining unit employees were compensated during the month, please return the form with a notation to that effect. Otherwise, the Administrative Office will consider your account delinquent for the month. If you do not receive a reporting form by the fifth of the month, contact your Administrative Office. **Contributions are due even if you do not receive the form on time.**

Computer-Generated Forms

If you use your own computer-generated reporting form instead of the Trust's provided form, it must contain all the required information outlined above. Please submit your computer-generated form along with the original Trust form and your check to the address listed. If you are submitting forms electronically, email them to WCTPT-EDI@nwadmin.com.

Multiple Account Remittances

If you are submitting payment for multiple accounts with a single remittance (check or ACH), be sure to:

- Indicate the amount due for each individual account on page one of each reporting form
- Attach an itemized cover sheet listing the account breakdown and total remittance

Contribution Rate Changes

If your labor agreement has expired and you are aware of a pension contribution rate increase in the upcoming agreement, you may pay the higher pension contribution rate even if the new rate has not yet been printed on the reporting form. If so, please indicate the rate change clearly on the form and provide an explanation for the change.



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TO: Participating Employers

FROM: Office of the Administrative Manager

RE: Monthly Pension Reporting Requirements Based on a Fiscal Month Method

The Trustees of the WCTPT are committed to providing our contributing employers with a complete understanding of the laws, regulations, and Trust rules that govern their obligations on behalf of their employees who participate in the Trust. These bulletins are intended to assist your legal, labor, and accounting staff in working effectively with our Administrative Offices. We welcome your feedback on any topic discussed.

An excellent means of streamlining the monthly Pension reporting procedure is to utilize a reporting methodology that best fits the capabilities of an employer's payroll systems and the reporting requirements outlined in the labor agreement and Trust policy. The reporting specifications to set up fiscal month reporting are available from your Administrative Office. Please contact us if you have any questions in this regard.

An Employer can report to the Trust using a Calendar month reporting methodology or a Fiscal month reporting methodology, as long as they do so consistently month to month to the Trust.

Employers that have labor agreements with guarantee language based on a calendar month are not allowed the option to choose their reporting methodology. Those with the guarantee language must report on a Calendar month basis and must maintain the necessary records to substantiate the remittances made including daily timecards for all employees.

Employers that **do not** have labor agreements with guarantee language based on a Calendar month are allowed the option to choose their reporting methodology. Based on the employer's choice of reporting methodologies, they will be required to keep and maintain the necessary records noted below.

The choice between a Fiscal month methodology and Calendar month methodology should be made only after taking into consideration the payroll records that will be required to be maintained by the employer and the capability of their own payroll system.

If an employer chooses to report on a Calendar Month methodology, they will be required at a minimum to maintain the payroll records and daily timecards for all employees.

If an employer chooses to report on a Fiscal Month methodology, they will be required at a minimum to maintain the payroll records for all employees.

Calendar Month Method:

The employer reports using a calendar method if the hours worked/compensated fall between the first and the last day of the month (1st-31st) and are reported to the Trust by utilizing the daily timecards for the first and last pay periods of each month to break-out the hours within those pay periods to the month they actually occurred.

Fiscal Month Method:

The Employer reports using a fiscal method if the hours reported are based on the **pay period end date** (not check date), regardless of the month the hours were actually worked. This will traditionally result in months with either 4 or 5 pay period end dates for a weekly payroll or months with either 2 or 3 pay period end dates for bi-weekly payroll. Using a fiscal month method will result in a minimum of 52 weekly pay periods or 26 bi-weekly pay periods being reported every year and requires no additional daily timecards or breaking-out of hours at the beginning and end of each month. Weekly payrolls will traditionally have 8 months with 4 pay period end dates and 4 months with 5 pay period end dates for a total of 52 weeks. Bi-weekly payrolls will traditionally have 10 months with 2 pay period end dates and 2 months with 3 pay period end dates for a total of 52 weeks.

Calculating Fiscal Month Equivalents to a Calendar Month Maximum

Employers that negotiate a calendar month maximum that does not contain guarantee language may report to the Trust using a Fiscal month methodology; however, they would have to report using the Fiscal Month Equivalents to the Calendar Month Maximum.

Example: If the labor agreement contains pension language that is a 184-hour calendar month maximum, then the most contributions an employee can receive is 2,208 pension hours in a calendar year. However, those hours will need to be spread out proportionally for months that have a different number of pay period end dates that occur each month for fiscal equivalents.

Weekly Equivalent

First step is taking the monthly maximum of 184 hours and multiplying it by 12 months, which totals 2,208 annual hours. The total of 2,208 annual maximum hours is then divided by 52 weeks which equals 42.46 hours. Then multiply the 42.46 hours by either 4 weeks or 5 weeks depending on the pay period end-dates within the month. For 4-week months, the total is 169.84 or rounded to 170 hours and for 5-week months, the total is 212.3 or rounded to 212 hours. Make sure the sum for all monthly hours equal the annual maximum of 2,208 hours. ($170 \times 8 = 1,360$ and $212 \times 4 = 848$ – Annually $1360 + 848 = 2,208$). There are typically 8 months with 4 pay periods and 4 months with 5 pay periods.

Bi-weekly Equivalent

2,208 annual maximum hours divided by 26 weeks – 84.92 hours per pay period.

$84.92 \times 2 = 170$ rounded hours for two pay period months and $84.92 \times 3 = 254$ rounded hours for three pay period months. ($170 \times 10 = 1,700$ and $254 \times 2 = 508$ – Annually $1,700 + 508 = 2,208$).

Over the course of the full year, a participant will have the same opportunity to earn the same amount of pension contributions regardless of a Fiscal or Calendar month equivalent.

The following provides the fiscal equivalents for the most common monthly maximums.

| Calendar Maximum | Weekly Payroll 4 Pay Periods | Weekly Payroll 5 Pay Periods | Bi-weekly Payroll 2 Pay Periods | Bi-weekly Payroll 3 Pay Periods |
|------------------|---------------------------------|---------------------------------|------------------------------------|------------------------------------|
| 173.33 | 160 | 200 | 160 | 240 |
| 184 | 170 | 212 | 170 | 254 |
| 190 | 175 | 220 | 175 | 265 |



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Employer Bulletin

June 2025

TO: Participating Employers

FROM: Office of the Administrative Manager

RE: **Uniformed Services Employment and Reemployment Act (USERRA)**

The Trustees of the WCTPT are committed to providing our contributing employers with a complete understanding of the laws, regulations, and Trust rules that govern their obligations on behalf of their employees who participate in the Trust. These bulletins are intended to assist your legal, labor, and accounting staff in working effectively with our Administrative Offices. We welcome your feedback on any topic discussed.

The purpose of this bulletin is to reaffirm reporting requirements involving the Uniformed Services Employment and Reemployment Act (USERRA). The Trust has previously provided information on compliance with USERRA and the Trustees want to ensure that employers have the information necessary to report the proper imputed service to the Trust for employees.

USERRA became law on December 12, 1994. Its requirements apply to all employers, both public and private regardless of size. Its purpose is to encourage non-career military service with a minimum of disruption to civilian careers. This is the most recent in a series of laws that establishes the rights of returning service members and the obligations of employers and pension trusts like the Western Conference of Teamsters Pension Trust.

Under USERRA, employers are generally liable for funding their share, if any, to the civilian retirement plan(s) of employed service members away on any uniformed service. Uniformed service includes United States active duty and reserve component military organizations, and certain other non-military organizations including the Federal Emergency Management Agency's (FEMA) Urban Search and Rescue (US&R) Response System, the FEMA Civilian Reserves, the National Disaster Medical System (NDMS), the Commissioned Officer Corps of the National Oceanic and Atmospheric Administration (NOAA), and Regular Corps and Ready Reserve Corps of the Commissioned Corps of the U.S. Public Health Service (PHS).

As a contributing employer to the Trust, you have certain obligations under USERRA regarding any employee who leaves employment covered by the Plan to enter the uniformed services and thereafter returns to work for you during the time period his/her USERRA reemployment rights are protected. If those conditions are met, the Act requires an Employer to do the following:

- You must notify the Trust in writing within 30 days that the returning service member has returned to work for your company or as soon thereafter as you become aware that the returning service member has reemployment rights under USERRA.

- You must pay retroactive pension contributions to the Trust on the employee's behalf **for the period he/she was absent from covered employment as if the reemployed service member had remained continuously employed.** Such contributions must be remitted to the Plan within 90 days after the service member is reemployed although the Trustees will consider extending that deadline if you demonstrate to their satisfaction that the circumstances made it impossible or unreasonable for you to comply with this 90-day deadline.

Under USERRA, the employer is not obligated to pay interest on pension contributions for periods of military service. However, if the required contributions are not remitted within the 90-day time frame (plus any extensions granted by the Trustees), the contributions will be considered delinquent and pursued under the Trust's delinquency procedures in the same manner as other overdue pension contributions, thereby exposing the employer to liability for interest on the contributions owed from their due date, plus liquidated damages and attorneys fees. Employer compliance with USERRA will also be monitored as part of the Trust's employer payroll audit program.

The Trust is willing to work with you in resolving questions that may arise with regard to your pension obligations under USERRA for employees who are covered by the Western Conference of Teamsters Pension Plan.

If you have questions about any other obligation you may have under USERRA to your employees or to other fringe benefit plans, we urge you to consult with your legal advisors or the administrators of those other plans. You can also secure information on USERRA via the web by searching for "USERRA the Act."



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June 2025

TO: Participating Employers

FROM: Office of the Administrative Manager

RE: **A Reminder of Trustee Policy Requirements for Proper Reporting of Pension Contributions Due for Vacation Compensation**

The Trustees of the WCTPT are committed to providing our contributing employers with a complete understanding of the laws, regulations, and Trust rules that govern their obligations on behalf of their employees who participate in the Trust. These bulletins are intended to assist your legal, labor, and accounting staff in working effectively with our Administrative Offices. We welcome your feedback on any topic discussed.

During the course of recent payroll compliance audits, certain practices have come to the attention of the Western Conference of Teamsters Pension Trust's Administrative Offices involving an employer's obligation to remit pension contributions due for compensable hours paid but not taken off from work.

The audits have shown that certain industries, due to their special workflow, schedules, and employment practices have developed compensation models involving payment for unworked hours that could produce a result that violates WCTPT Trustee policy.

The most common examples of such affected hours involve payment practices for vacation hours.

This memorandum is being distributed to formally notify parties of this concern and to offer guidance on how to best meet the obligation to remit pension contributions in compliance with the Trustee Policy on Acceptance of Employer Contributions (as outlined in the Agreement and Declaration of Trust) and specifically Guideline 5, which states that the Trust will not accept:

Provisions that permit contributions on a basis that will produce a contribution less than on all straight time hours worked by the employee, provided that for purpose of this rule paid vacation and paid holiday hours shall be included in straight time hours worked.

The potential violation of Trustee policy may arise when employees receive compensation for non-worked hours, such as vacation pay, on their anniversary of employment or any other date other than when the vacation time is taken, and the Employer implements a bargained weekly or monthly maximum on the amount of pension contributions due to be made. This may result in an employee being compensated for a full year's work, and yet not receiving a number of hours of pension contributions to satisfy Guideline 5's requirement.

The Trustees have stated their policy as regards vacation payouts as follows:

Policy on Pension Contributions for Vacation or other Compensation Received on a Date other than the Pay Date Immediately before or after Vacation or other Hours are Taken off from work (Effective May 1, 1996, and restated thereafter)

1. The following Policy applies to Pension or Labor Agreements that require pension contributions on vacation hours for which a Covered Employee is entitled to receive compensation from the Employer under the following circumstances:

- a.** The Pension or Labor Agreement expressly provides that Covered Employees are entitled to receive vacation compensation on their employment anniversary date or some alternate date other than the pay date immediately before or after the period during which the Covered Employee actually takes the vacation time off from work.
- b.** The Pension or Labor Agreement is silent on when the Employer is required to compensate a Covered Employee for vacation time, but pursuant to established practice, the Employer pays vacation compensation on Covered Employees' employment anniversary or some alternate date other than the pay date immediately before or after the period during which the Covered Employee actually takes the vacation time off from work.

2. Regardless of when a Covered Employee receives compensation for vacation time, pension contributions shall be due for such vacation hours regardless of when or if the Covered Employee actually takes the vacation time off, notwithstanding any monthly maximums contained in the Employer's Pension Agreement.

3. If the Pension Agreement contains a weekly, monthly, or annual maximum on the Employer's obligation to remit pension contributions, paragraph number two shall not be construed to require the Employer to make contributions on behalf of a Covered Employee for more than the annual or "implied" annual maximum for covered hours per calendar year. To further clarify what is meant by an "implied" annual maximum; that concept is determined from the weekly or monthly maximums stated in Pension or Labor Agreements for the number of payroll weeks or months in a calendar year. For example, an Agreement that requires contributions on all compensable hours up to a monthly calendar maximum of 184 hours has an implied annual maximum of 2,208 hours (*184 hours x 12 months = 2,208 annual hours*) and therefore non-worked compensated hours should be reported to the Trust beyond the monthly maximum in the month the compensation occurs, but not beyond the annual or "implied" annual maximum for that calendar year.

4. This policy also extends to other forms of compensation for non-worked hours that are, accrued under the Agreement and paid, but not taken such as Paid Time Off (PTO), Sick Leave, Personal Holiday, etc.

A Reminder of Trustee Policy Requirements for Proper Reporting of Pension
Contributions Due for Vacation Compensation
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There are many pension contribution formulas that can fit an employer's specific industry demands and still meet Trustee policy requirements. To date, the Administrative Offices have been enforcing the policies noted above since they originated in May 1996.

If you have any questions surrounding the application of the pension language contained in the collective bargaining agreement and the administration of that language via your payroll and / or benefits departments, you should contact the Trust's Audit Department at (206) 329-4900 for discussion and clarification.



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Employer Bulletin

June 2025

TO: Participating Employers

FROM: Office of the Administrative Manager

RE: **Audit Program, Supplemental Adjustments (Rate Increases, Adding Hours or Removing Hours)**

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An important aspect of the Trustees' and Administrative Offices' fiduciary responsibility is the prompt and orderly collection of contributions due the Trust in accordance with the collective bargaining agreements in effect. Reporting forms for regular monthly contributions are sent to employers at the end of each month. Reporting forms for supplemental billings (i.e., rate increases or additional hours due) and audits are sent as required throughout the month.

The Trustees have directed the Administrative Offices to periodically examine the payroll records of employers participating in the Trust. Audits are commonly performed at four year intervals, however, if significant exceptions in reporting are identified, subsequent audits are performed at either one or two year intervals. Employers are contacted in writing by the Trust's audit staff to arrange an appropriate time and place for the audit to be conducted or for the records to be provided electronically.

Common exceptions discovered in the audit process include:

- Failure to report newly hired employees from their first hour of employment;
- Failure to report all individuals performing bargaining unit work such as temporary agency personnel (TAP), casuals, seasonal or part-time employees;
- Failure to report on Vacation Payouts or other Payout types above the weekly or monthly maximum, but not beyond the annual maximums;
- Contributing on more hours than for which compensation was paid;
- Contributing on hours beyond the annual maximum or implied annual maximum;
- Failure to limit reporting hours in the Probationary Accounts to 90 calendar days from first date of utilization;
- Failure to include all compensable hours at termination including payout hours;
- Failure to report hours in the month in which the pay period end date occurred for fiscal month reporting

The results of payroll examinations are communicated, in written form, to Employers. Interest is assessed on net shortages. Payment or resolution of audit billings is required within 30 days of notification. Net overpayments can be applied to future monthly reports or may be refunded to the employer.

Another means of notifying Employers of exceptions in Pension reporting is via a supplemental billing or credit advice. When the Administrative Office becomes aware of a shortage or overpayment on one or more employees, a letter describing the problem is sent, giving 30 days for the Employer to respond. The most frequent causes of supplemental billings or credits include:

- Retroactive pension rate increases negotiated into a renewed labor agreement;
- Failure to report all hours due on an employee such as new hires or temporary employees;
- Reporting hours in excess of the annual maximum or implied annual maximum

There are two primary types of situations where the Trust is not able to retain contributions paid in good faith by an Employer. The first situation is a mistake of fact, such as a clerical error, which will result in a credit to the employer. The second situation is a mistake of law, such as an improper contribution on an individual not properly covered by a labor agreement. In the latter situation, the contributions are refunded to the individual(s) on whose behalf they were paid. Federal law requires that in either situation, the credit or refund be made within six months of discovery.

The goal of both the Payroll Audit Program and the Supplemental Adjustment procedures is to ensure that every participant in the Trust is credited each month with accurate hours and contributions. As each employee retires, he or she can be confident of receiving the full and correct Pension benefit to which he or she is entitled.

The Trust's delinquency procedures apply to late payment of **all** contributions. However, before collection actions are taken, a delinquency notice is sent to employers if payment has not reached the Trust within 30 days after contributions are due. In the case of regular monthly contributions, supplemental adjustments or audit results, a second notice letter will be mailed to the employer. If contributions are not received in accordance with the delinquency notices, the matter is referred to the Trust's Collection Attorney, at which point liquidated damages, interest and attorneys fees are assessed.

As you can see, delay in responding to any communication from the Administrative Office involving a delinquency can result in an expensive and time-consuming situation. The Trust's rules are very strict regarding collection of all monies which become due and waivers are rarely granted. Therefore, you are encouraged to contact the Administrative Office in your area for clarification of any delinquency notice or to resolve any shortage or overage appearing on the monthly reporting form. The Administrative Office will work with you to resolve this issue in an expeditious manner.



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June 2025

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FROM: Office of the Administrative Manager

RE: Pension Plan Mailings and Employers' Role

The Trustees of the WCTPT are committed to providing our contributing employers with a complete understanding of the laws, regulations, and Trust rules that govern their obligations on behalf of their employees who participate in the Trust. These bulletins are intended to assist your legal, labor, and accounting staff in working effectively with our Administrative Offices. We welcome your feedback on any topic discussed.

Throughout the year, the Pension Trust mails various documents and requests for participant information to Employers, Local Unions, and Employees. Many of these mailings are required by law and in certain instances Employers and Unions are asked to assist the Trust in distributing these materials. We deeply appreciate your efforts in keeping employees informed of Trust matters.

- Every 5 years, approximately in November, the Trust's **Summary Plan Description (SPD)** must be sent to all employers, local unions, participants, and retirees. The SPD provides general Plan information, participation and vesting, retirement and death benefit eligibility as well as plan options available and how to apply for benefits including work after retirement.
- Each April, the Trust's **Annual Funding Notice (AFN)** must be distributed to all participating employers, participants, and retirees. The AFN includes important information about the Plan, general information about benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency, the Plan's funding status, Year-End Fair Market Value of Assets, participant information, funding and investment policies.
- Each year, the Plan Actuaries conduct a thorough actuarial analysis to determine the cost of future pension benefits. The Trust will issue a series of **Actuarial Request** reports to employees, employers and local unions representing a sample of their employees or former employees with incomplete data requesting additional information be provided such as gender, date of birth and date of spouse, if married, and any address changes. The information is strictly confidential and used exclusively for actuarial purposes. In February, selected employers will receive a report requesting the above information; In October, selected employees will receive a request for the above information; In December, local unions will receive a request for the above information.

- Each November, the Trust will issue pursuant to **Section 104(d)** of the Employee Retirement Income Security Act of 1974, employers and local unions will receive the Summary Plan Information report which provides key information regarding the Plan with instructions on how to obtain Plan documents.
- During May through July, every active participant who worked 250 hours in the prior year receives a customized **Personal Benefit Statement** showing contributions received for the previous year, the employee's accrued benefit to date, and projected retirement benefit. Although Employers are not directly involved in this mailing, your employees may have questions or concerns about data on the statement. These should be directed to your Administrative Office.
- Another distribution, which occurs semi-annually in January and July, is the **New Hire Plan Mailing**. An introductory memorandum along with the Trust's general Plan documents, is sent to each new Employee who has reached active status in the last six months. For Employees with incomplete information, Employers will be provided with a list of employees and asked to supply updated address information. Once received, those Employees will be included in the next mailing.
- Employers can minimize their responsibilities related to the above mailings by consistently including complete Employee address information with their monthly Pension contribution reports. An address should always be provided for each newly reported Employee. Additionally, whenever Employee information is submitted, it is essential that it be accompanied by the Employee's Social Security Number to ensure accurate processing.

Mailings issued to Employees may be sent electronically, provided the Employee is registered on the Trust's website. The Trust encourages all Employees to register online to help reduce administrative costs. For more information, please have your Employees contact their Area Administrative Office.