



# Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955

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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)**

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 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.