Western Conference of Teamsters Pension Trust
An Employer-Employee Jointly Administered Pension Plan - Founded 1955

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Employer Bulletin

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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*8 = 1,360 and 212*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*2= 170 rounded hours for two pay period months and 84.92*3 = 254 rounded hours for three pay period months. (170*10 = 1,700 and 254*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