



# 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:** 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. Does the break-in rate have to apply to all job classifications?***

**A.** No. 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.