WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN
BUYING POWER OF APPROVED BONUS ACCRUALS FOR WORK IN 2020 – 2026
1.2% vs. 1.5% & 1.6% Accrual Comparison and Basic Contribution Rate Examples

Accrual Comparison

The following calculations compare the Contributory Service Benefit accruals using the historical 1.2% contribution percentage in effect from 2009 – 2019 and the approved 1.5% in 2020 and 1.6% contribution percentage for work in 2021 through 2026, as follows:

$10.00 at 1.2%

Year	Total Hours		Basic Pension Rate		Total Basic Contributions		Contribution Percentage		Normal Retirement Benefit
2020	2,080	X	$10.00	=	$20,800.00	X	1.20%	=	$249.60
2021	2,080	X	$10.00	=	$20,800.00	X	1.20%	=	$249.60
2022	2,080	X	$10.00	=	$20,800.00	X	1.20%	=	$249.60
2023	2,080	X	$10.00	=	$20,800.00	X	1.20%	=	$249.60
2024	2,080	X	$10.00	=	$20,800.00	X	1.20%	=	$249.60
2025	2,080	X	$10.00	=	$20,800.00	X	1.20%	=	$249.60
2026	2,080	X	$10.00	=	$20,800.00	X	1.20%	=	$249.60
	TOTAL				$145,600.00				$1,747.20
	Total Contributory Service Benefit						$1,747.20		

$10.00 at 1.5% in 2020 and 1.6% from 2021 – 2026

Year	Total Hours		Basic Pension Rate		Total Basic Contributions		Contribution Percentage		Normal Retirement Benefit
2020	2,080	X	$10.00	=	$20,800.00	X	1.50%	=	$312.00
2021	2,080	X	$10.00	=	$20,800.00	X	1.60%	=	$332.80
2022	2,080	X	$10.00	=	$20,800.00	X	1.60%	=	$332.80
2023	2,080	X	$10.00	=	$20,800.00	X	1.60%	=	$332.80
2024	2,080	X	$10.00	=	$20,800.00	X	1.60%	=	$332.80
2025	2,080	X	$10.00	=	$20,800.00	X	1.60%	=	$332.80
2026	2,080	X	$10.00	=	$20,800.00	X	1.60%	=	$332.80
	TOTAL				$145,600.00				$2,308.80
	Total Contributory Service Benefit						$2,308.80		

$2,308.80 (@ 1.5% in 2020 and 1.6% 2021 – 2026) - $1,747.20 (@1.2%) = $561.60

The **1.6%/1.5%** bonus accrual provides a **32%** increase to the Contributory Service Benefit amount vs. the 1.2% accrual percentage. In this example, the result of the 1.6%/1.5% bonus accrual over seven years is an additional **$561.60** per month to the Normal Retirement amount. Assuming a retirement of 30 years, this totals **$202,176.00** of added lifetime value for the individual.

Contribution Rate Examples for 7-Year Benefit Accruals

The following are examples of the increased lifetime value* of the approved bonus accrual across various Basic pension contribution rates based on the 1.5% accrual rate in 2020 and the 1.6% accrual rate for 2021 – 2026 compared to 1.2%. (The calculations assume no early retirement reductions and 7 years of contributions at 2,080 hours per year).

$11.00/hour
Monthly Increase of: $617.76
$222,393.60
Lifetime Value

$8.00/hour
Monthly Increase of: $449.28
$161,740.80
Lifetime Value

$7.00/hour
Monthly Increase of: $393.12
$141,523.20
Lifetime Value

$5.00/hour
Monthly Increase of: $280.80
$101,088.00
Lifetime Value

$4.00/hour
Monthly Increase of: $224.64
$80,870.40
Lifetime Value

$3.00/hour
Monthly Increase of: $168.48
$60,652.80
Lifetime Value

The above example may be different from the benefit you receive based on your actual coverage under the Plan. All Plan benefits are subject to the terms of the official Plan document. The above examples are Basic contributions only.

***Lifetime Value assumes 30-year draw period**.