

WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

BUYING POWER OF APPROVED BONUS ACCRUALS FOR WORK IN 2021 – 2025

1.2% vs. 1.6% Accrual Comparison and Basic Contribution Rate Examples

Accrual Comparison

The following calculations compare the Contributory Service Benefit accruals using the current 1.2% contribution percentage and the approved 1.6% contribution percentage for work in 2021 through 2025, as follows:

\$10.00 at 1.2%

Year	Total Hours		Basic Pension Rate	=	Total Basic Contributions	X	Contribution Percentage	=	Normal Retirement Benefit
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
TOTAL					\$104,000.00				\$1,248.00
Total Contributory Service Benefit							\$1,248.00		

\$10.00 at 1.6%

Year	Total Hours		Basic Pension Rate	=	Total Basic Contributions	X	Contribution Percentage	=	Normal Retirement Benefit
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
TOTAL					\$104,000.00				\$1,664.00
Total Contributory Service Benefit							\$1,664.00		

$$\mathbf{\$1,664.00 (@ 1.6\%) - \$1,248.00 (@1.2\%) = \$416.00}$$

The 1.6% bonus accrual provides a **33%** increase to the Contributory Service Benefit amount. In this example, the result of the 1.6% bonus accrual over five years is an additional **\$416.00** per month to the Normal Retirement amount. Assuming a retirement of 30 years, this totals **\$149,760.00** of added lifetime value for the individual.

Contribution Rate Examples for 5-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 1.6% accrual rate compared to 1.2%. (The calculations assume no early retirement reductions and 5 years of contributions at 2,080 hours per year).

<p>\$11.00/hour Monthly Increase of: \$457.60 \$164,736.00 Lifetime Value</p>	<p>\$8.00/hour Monthly Increase of: \$332.80 \$119,808.00 Lifetime Value</p>	<p>\$7.00/hour Monthly Increase of: \$291.20 \$104,832.00 Lifetime Value</p>
<p>\$5.00/hour Monthly Increase of: \$208.00 \$74,880.00 Lifetime Value</p>	<p>\$4.00/hour Monthly Increase of: \$166.40 \$59,904.00 Lifetime Value</p>	<p>\$3.00/hour Monthly Increase of: \$124.80 \$44,928.00 Lifetime Value</p>

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.