



A Report to Contributing Employers of **The Western Conference of Teamsters Pension Trust Fund**

Issued May 2023





Why the Western Conference of Teamsters Pension Plan is Right for You and Your Employees

May 2023

Dear Contributing Employer,

As the newly elected Chairman of the Employer Caucus of the Western Conference of Teamsters Pension Trust, I pledge to keep you, our contributing employers, informed of funding and benefit developments. I also pledge to explain how these developments may affect your valued employees in achieving a secure retirement from your company.

I am pleased to report that the Trust continues to thrive. Trust assets now exceed \$50.6 billion and the all-important Pension Protection Act funded percentage has increased to 99.1%. Contributions from our nearly 1,350 employers are at record levels and more than \$3.1 billion in benefits will be paid this year. Recognizing the challenges your businesses face, the Trustees continue to implement common sense protocols to help weather the lingering effects of the pandemic, high inflation, and rising interest rates.

This report will highlight the strengths of the Plan, recent improvements made to benefits at no additional cost to you, and our outlook for the next few years. As always, we welcome your comments and insights.

Rick E. Porter
Chairman, Employer Caucus

The Plan is Well-Funded and Effectively Manages Risk

Defined Benefit Plans, like the Western Conference of Teamsters Pension Plan, are the most efficient method of providing lifetime retirement income to individuals. Individuals can retire even when markets are down because the benefit promise made by the plan is prefunded. Assets are professionally managed, so employers and participants get the best deal from size and volume. All of this reduces the need to worry about their employees' retirement income and allows employers to focus on their expertise within their industry.

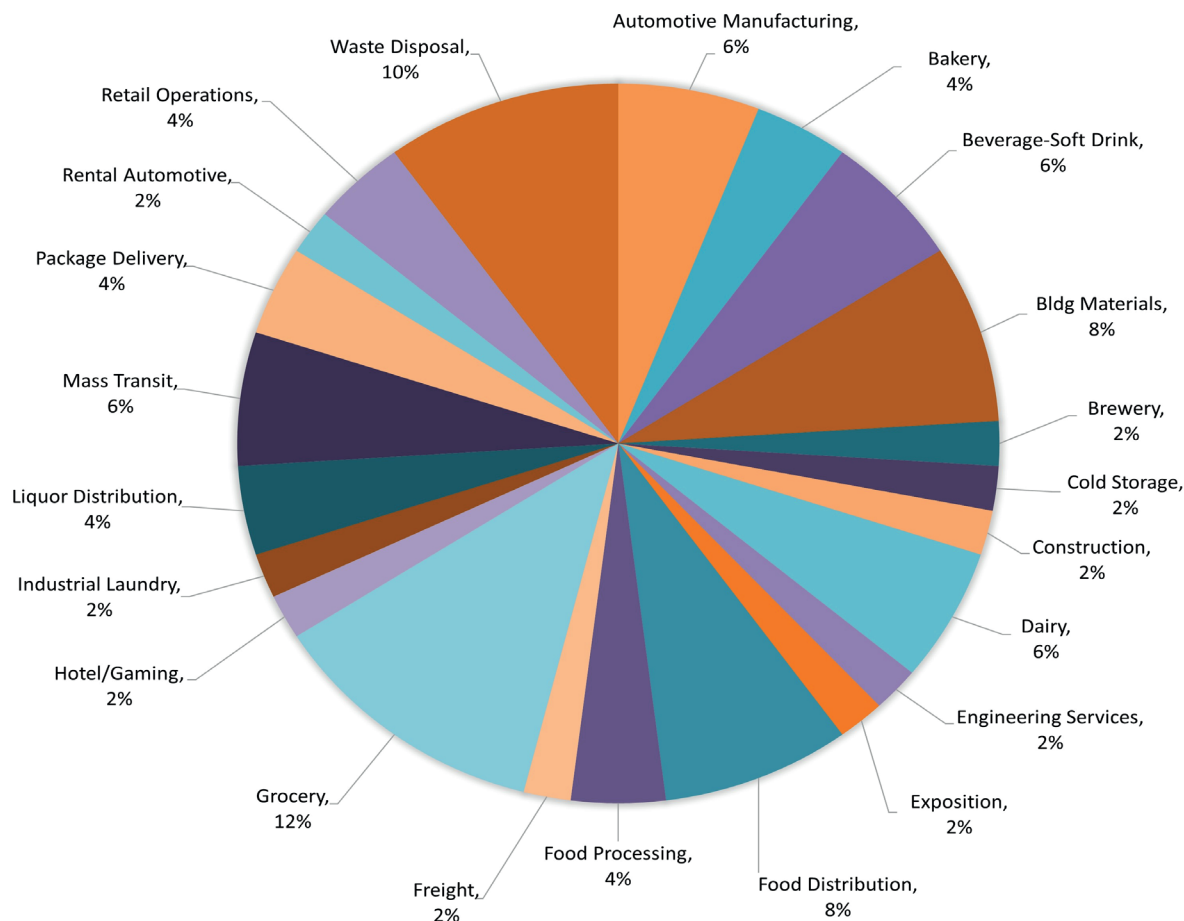
Under the Pension Protection Act of 2006 (PPA), pension plans are required to disclose their funded status each year. Independent actuaries certify each plan's funded status so participants can see its "health" and its likelihood of meeting its benefit promises to existing and future participants and retirees.

99.1%

The Western Conference of Teamsters Pension Plan is very well funded (carrying a 99.1% PPA funded percentage for 2023) and has been in the GREEN ZONE every year since the zone concept was introduced!

Industry Diversification Lowers Risk

Because many different employers from different industries contribute to the Plan, financial strength is maintained. This is especially important during economic downturns because the Plan isn't tied to just one or a few industries. The chart below shows the percentage share of the 22 different industries represented by the top 50 contributing employers.



The Plan is Efficiently Managed

The Western Conference of Teamsters Pension Plan is the largest collectively-bargained defined benefit pension plan in the United States, with **assets over \$50.6 billion**. The Plan's size provides economies of scale that can't be matched by any other retirement program. The Plan obtains the best investment services and administration at net costs well below the average 401(k) or defined contribution program.

By way of example, for every dollar you contribute to the Plan on behalf of your employees, only 5 cents is needed to pay for the operations of the Plan (called General and Administrative Expense). This leaves 95 cents of the contribution dollar, and all investment income, available to pay for benefits and maintain funding strength.

Your Contribution Dollar

95 cents goes to benefits and maintaining funding strength

5 cents goes to operational cost



Predictable Lifetime Benefits to Ensure a Happy Retirement

Most people lack the interest, time, or financial acumen to undertake all the decisions required to guarantee a safe and secure retirement. It's a daunting challenge to save, select appropriate investments, manage plan costs, and determine how and how much to take in retirement to ensure one does not outlive his or her money. A major advantage of a well-funded defined benefit plan such as the Western Conference of Teamsters Pension Plan is that the Trust handles these concerns for your employees. The Trust hires the best investment managers, administrators, and plan experts to ensure your employees a secure, predictable stream of retirement income, no matter how long participants or beneficiaries may live. This is true regardless of financial market volatility and increasing life expectancies.

As of mid-2023, the Plan has over 265 Retirees over the age of 100 and over 8,600 between the ages of 90-99!

People are Living Enhanced Long Lives

In the Trust's 68 year history it has paid out more than 1 million benefits. One such benefit recipient is Berta who was born in 1913 and began working for a food processor in 1947. In 1971, Berta put in for her retirement and commenced her pension benefits on October 1, 1971. As of April 2023, Berta has received a Western Conference of Teamsters Pension Benefit for 52 years. She is the oldest living pensioner in the Plan at 110 years old.

The Plan Provides Peace of Mind

To date, the Trust has not incurred a cybersecurity incident or suspected incident of a breach. Documentation is maintained and updated as needed to reflect the Trust's most current security practices from a technological perspective and meets both the DOL Best Practices as well as Industry standards regarding security and staff awareness.

The Plan doesn't just pay traditional retirement benefits. It protects your employees if they become totally and permanently disabled prior to retirement. It also provides both minor child and spousal survivor benefits if an employee dies before or after retirement as well as lump sum death benefits. Plan benefits like these give your employees options for the unexpected life events that are above and beyond what a retirement plan like a 401(k) can provide.

More detailed information about the Plan can be found, in both English and Spanish, in the 2023 Summary Plan Booklet coming in late 2023 and at www.wctpension.org.

You can refer your employees to the Trust Administrative Office for questions:

» 800-531-1489

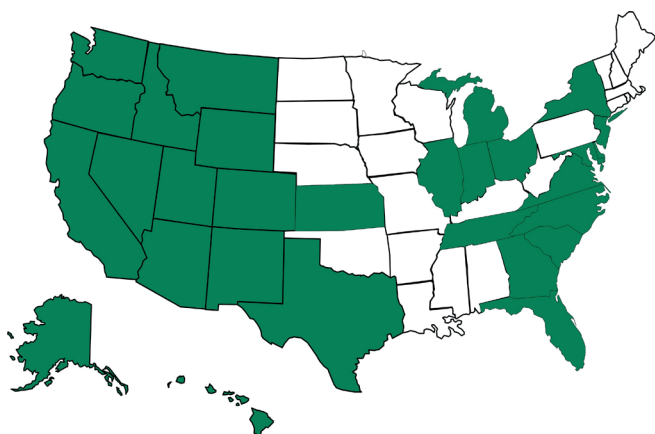
For Employer specific inquiries, please contact Employer Caucus Chairman, Rick E. Porter at rickeporter@outlook.com.



Key Advantages of the Plan for You and Your Employees

- » The Plan continues to be well-funded, retaining its Green Zone status for 2023.
- » The Plan has broad geographic coverage and continues to expand.
- » The industry diversification of contributing employers lowers risk.
- » The Plan is professionally managed and operates with greater efficiency due to its larger size.
- » The Plan assures that your employees don't have to be investment experts to face the future with confidence.
- » The Plan provides a broad array of benefits, including disability benefits, child and spousal survivor benefits, and lump sum death benefits—all of which provide an umbrella of retirement security.
- » The Plan promotes employment longevity.
- » Plan benefits continue throughout your employees' retirement years.
- » Communications from the Plan are transparent. Valuable information for both you and your employees is available on the Plan's website at www.wctpension.org.

The Plan is Expanding Nationwide, Providing Thousands of New Participants True Retirement Security



The Western Conference of Teamsters Pension Plan covers over 229,511 active participants through pension agreements negotiated with our nearly 1,350 employers. Once limited to the western United States, the Plan is now expanding nationwide. Over 24,700 new participants have joined since 2012, with over 5,600 working for employers outside the West. The states shown in green are where active participants currently receive credit towards benefits.

The Plan Promotes Employee Retention

Pension Plan Benefits are based on years of service, so the longer an employee stays in covered employment, the more the employee will receive in benefits. The Plan's strong performance in recent years allowed for the Trustees to increase the accrual rate by 25% for 2020 and 33% for the 2021 through 2023 Plan years, effectively increasing the retirement benefits at no additional cost to the Employer. Such increases build loyalty, which results in better employee retention, especially in a competitive labor market. One estimate by the Society for Human Resource Management is that it costs a company 6 to 9 months of an average salary to replace an employee. Your contributions to the WCTPT on behalf of your employees can help address this issue.

Frequently Asked Questions from Your Employees

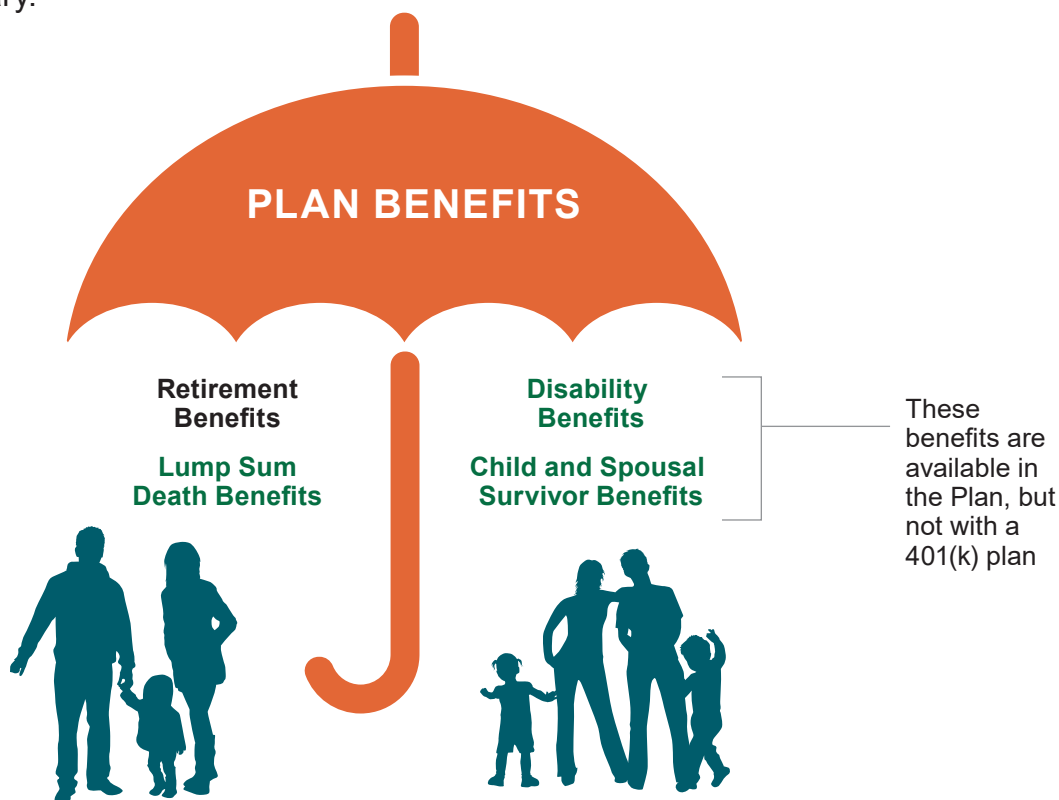
What benefits are provided by the Plan?

The Plan provides more than just lifetime retirement benefits. It protects you if you become totally and permanently disabled before retirement. Whether you die before or after retirement, your Plan can provide monthly income security to your surviving spouse and minor children and substantial lump sum death benefits to your designated beneficiary.*

**Subject to Plan rules*

What determines the amount and length of benefits?

Benefits are based on a percentage of contributions paid into the Plan on your behalf and your age at retirement. Therefore, the longer you stay in covered employment, the more your benefits will grow. Various lifetime payment options are available.



Who makes contributions to the Plan?

Each month, your employer makes contributions for your covered employment based on the contribution rate in your collective bargaining agreement. Employees do not make contributions.

Who makes investment decisions?

A group of investment professionals advise the Board of Trustees.

RETIREMENT SECURITY FOR A LIFETIME



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