



# **Western Conference of Teamsters Pension Trust**

**An Employer-Employee Jointly Administered Pension Plan – Founded 1955**

Office of the Administrative Manager  
2323 Eastlake Ave E., Seattle, WA 98102  
(206) 329-4900

## **MEMORANDUM**

**DATE:** May 1, 2015

**TO:** Local Union Executive Officers

**FROM:** Board of Trustees

**RE:** Guidelines for Local Union Pension Contributions for “Lost Time” Work

Over a period of several years the Board of Trustees has established policies governing the required contributions to the pension trust. Generally these policies have required employer contributions on behalf of all employees on the payroll of a contributing employer.

In their role as a contributing employer, Local Unions have been similarly required to make contributions on behalf of employees who are compensated by the Local Union, including those involved in periodic work for the Local Union in service on bargaining committees, grievance committees and the like. The Trustees refer to this periodic service as “lost time” because the members serving on bargaining committees and grievance boards are usually employed full-time in covered employment for a contributing employer other than the Local Union. Their service is provided to the Local Union when called upon to support the bargaining and other work of the Local Union.

Trust payroll audits of Local Unions in recent years have revealed a wide range of treatment of these “lost time” hours for purposes of making pension contributions. As a result, the Trustees have revisited this issue in an effort to clarify Trust requirements and to provide sufficient flexibility to meet the varying needs of Local Unions. Trust policy provides a framework that requires consistent and equitable treatment of “lost time” employees of the Local Unions.

Following lengthy discussion of the different situations faced by Local Unions, the Trustees have developed a set of guidelines to assist Local Unions in complying with contribution requirements of the Trust. These guidelines are provided as an attachment to this memorandum.

A key element of these guidelines provides that a Local Union may elect to pay on either all “lost time” hours or on none of the “lost time” hours. The election will be effective beginning in 2015 and will carry forward until the Local Union records with the Trust Office an acceptable change of election with a specified effective date.

If a “lost time” employee is employed full-time in signatory work that does not require contributions to the WCTPTF, the Local Union will not be required to make contributions for “lost time” on behalf of that employee during “lost time” work. This situation may arise if the employee is employed in public sector work or is in the initial period of coverage for a newly organized employer.

In 2015 the Trust will continue its regular payroll audit program of Local Unions utilizing these guidelines. The process will involve the auditor meeting with the Local Union Executive Officer and bookkeeper at the beginning of the audit to review the guidelines. At that time the Executive Officer will inform the auditor of the Local Union's policy to pay on all "lost time" or not to pay on any "lost time". The auditor will then audit according to this guideline. At the conclusion of the audit, the auditor will review with the Executive Officer and bookkeeper the findings of the audit, as is current standard practice. A Local Union may also complete and submit its "Election of Treatment of Lost Time Hours" at any time prior to a payroll audit. In such cases, the Trust Office will confirm acceptance of the Election via email.

The Trust Office is available to provide additional information and clarification for Local Unions upon request. Representatives will also be available to attend Joint Council meetings to explain the guidelines.

If you have questions, please contact Larry McNutt, Miriam Williams or Jeremy Schumacher at (800)531-1489.

Thank you.

**Guideline Statement Regarding Contributions to WCTPTF for “Lost Time” Work by Union Members for a Local Union During Bargaining and Grievance Committee Service**

1. Effective date of these Guidelines is work performed after January 1, 2015 (*or date that the Guidelines are distributed to the Locals*), and will be enforced beginning with the 2015 audit cycle.
2. The Policy will be applied prospectively unless the Local agrees in writing to apply retroactively to all similarly situated participants.
3. Executive Board adoption will not be required since we view this as a “normal course of business” practice.
4. Locals may change their election at any time as long as they adhere to the equal treatment for similarly situated participants. In payroll audits, the AAO’s will apply a rule that after January 1, 2015, if the Local pays on one or more individuals in this “lost time” category, the audit will bill for all similarly situated individuals on whom no contributions were paid during the audit period at the applicable hourly pension contribution rate paid for all full-time employees of the Local Union.
5. Organizers and short-term employees would not be treated the same as other “lost time” cases. Organizers or short-term employees must receive contributions on the same basis as other employees of the Local Union. The applicable contribution rate will be the rate paid by the Local Union on behalf of its Officers and Business Agents.
6. If a “lost time” employee is employed full-time in signatory work that does not require contributions to the WCTPTF, the Local Union will not be required to make contributions for “lost time” on behalf of that employee during “lost time” work.
7. Acceptable documentation for audit purposes will include:
  - a. Bargaining (active or observer) – bargaining session attendance roster, bargaining minutes, lead bargainer notes indicating attendees.
  - b. Organizers-organizing campaign schedules, assignment sheets, attendance sheets.
  - c. Other part-time employees not included in Local Union represented employees-time sheets, project minutes, log or diary entries by two or more observers.
8. Using the principles indicated in #6 above, audits will permit any reasonable method of Local Union recordkeeping that will support W-2 recipients as employees for purposes of their pension agreement. “Lost time” compensation reported on Form 1099 must be supported by similar records, such as time sheets, job tickets or similar records.
9. If insufficient documentation exists, the facts and available documentation will be referred to the Administrative Manager for resolution, in counsel with the Co-Chairmen.
10. Situations outside of the guidance provided here will be referred to the Administrative Manager to define applicable guidelines. In such cases, decisions of the Administrative Manager will be established as either “applicable retroactively” or “applicable prospectively”, as is reasonable in the circumstances.

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**Local Union Election of Treatment of “Lost Time” Hours:**

Effective \_\_\_\_\_, 20\_\_\_\_, Teamster Local Union \_\_\_\_\_ elects to (select one):

- Contribute on all “Lost Time” hours** compensated for bargaining committee participation (excluding service as an “observer”) and grievance committee service on behalf of the Local Union, at the current hourly pension contribution rate paid for all Officers and Agents of the Local Union, or
- Not** contribute on any “Lost Time” hours compensated for bargaining committee participation and grievance committee service on behalf of the Local Union.

Signed:

\_\_\_\_\_  
Executive Officer, Teamster Local Union \_\_\_\_\_

\_\_\_\_\_  
Date