



Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955



2014 ANNUAL FUNDING NOTICE

FOR THE WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN

Introduction

This notice includes important funding information about your multiemployer pension plan (the “Plan”). It also includes general information about benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2014 and ending December 31, 2014 (referred to hereafter as “2014 Plan Year”).

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the “funded percentage.” The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the 2014 Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan’s assets and liabilities for the same period.

	<u>Plan Year 2014</u>	<u>Plan Year 2013</u>	<u>Plan Year 2012</u>
Valuation Date	January 1, 2014	January 1, 2013	January 1, 2012
Funded Percentage	90.7%	90.1%	90.4%
Value of Assets	\$35,478,550,000	\$34,132,485,000	\$33,310,140,000
Value of Liabilities	\$39,116,028,000	\$37,865,447,000	\$36,847,337,000

NOTE: The Plan’s funded percentage for the 2015 plan year, determined as of January 1, 2015, is projected to be 91.9%. The Plan remains in the “green zone” for 2015.

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date for each plan year. They also are “actuarial values.” Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan’s funded status at a given point in time. The asset values in the chart on the next page are market values and are measured on the last day of the 2014 Plan Year. The chart also includes the year-end market value of the Plan’s assets for each of the two preceding plan years.

	<u>December 31, 2014</u>	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Fair Market Value of Assets	\$36,699,934,862	\$35,191,665,483	\$32,333,106,405

Note: The value of plan assets shown as of December 31, 2014 is an estimate based on the most accurate unaudited financial information available at the time this notice was prepared. The final audited information on the Plan's assets will be reported on the Plan's Form 5500 for 2014 filed with the Employee Benefits Security Administration later this year.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

Taking into account the funding relief elections the Trustees have made under the Pension Relief Act of 2010, the Plan was not in endangered, critical, or critical and declining status in the 2014 Plan Year and is not in endangered, critical, or critical and declining status in the current plan year (2015).

For further information on the Plan's 2015 funded status, go to the Plan's website at:
http://www.wctpension.org/downloads/documents/WCTPT_PPA_Actuarial_Certification_with_Explanation_2015.pdf.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 545,652. Of this number, 198,518 were current employees, 167,887* were retired and receiving benefits, and 179,247* were retired or no longer working for the employer and have a right to future benefits. [*These participant counts do not include 40,570 individuals receiving benefits under the Plan to whom Prudential Insurance Company has made an irrevocable commitment to pay all the benefits to which they are eligible under the Plan. When they are included in the count, there are a total of 586,222 individuals covered by the Plan or receiving Plan benefits.]

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. Plan benefits are funded by employer contributions and investment returns on those contributions. Employer contributions are based on hours worked multiplied by an hourly contribution rate established through collective bargaining. The Plan's funding policy provides that, based on the level of those employer contributions and the investment performance of the Plan's assets, the Trustees will establish and adjust the levels of Plan benefits as necessary to satisfy the minimum funding standards of ERISA and the Internal Revenue Code. The funding policy works in coordination with the Plan's investment policy by spreading investment gains and losses over several years, helping to reduce volatility in the value of Plan assets recognized for funding purposes.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The Plan’s investment policy is to maintain a diversified portfolio of investments managed by professional investment managers and spread across a broad range of asset classes. Although individual investment categories within the portfolio may have different risk and return characteristics, the risk profile of the Plan’s overall investment portfolio is conservative in nature. The Investment Committee of the Trustees, working closely with experienced consultants and investment managers, monitors the Plan’s investments, seeking to achieve consistent investment performance over the long term in a variety of economic and investment conditions.

Under the Plan’s investment policy, the Plan’s assets were allocated among the following categories of investments as of the end of the 2014 Plan Year. These allocations are percentages of total assets:

ASSET ALLOCATIONS	PERCENTAGE
Stocks	41.1 %
Investment grade debt instruments	33.5 %
High-yield debt instruments	3.6 %
Real estate	11.1 %
Other	10.7 %

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the “Form 5500.” These reports contain financial and other information. You may obtain an electronic copy of your Plan’s annual report free of charge by going to the Plan’s website at <http://www.wctpension.org/forms-documents-webcasts/plan-documents>, or by going to www.efast.dol.gov and using the search tool. You may request a paper copy of the Plan’s annual report by writing to the Plan’s administrator: Administrative Manager, Western Conference of Teamsters Pension Plan, 2323 Eastlake Avenue East, Seattle WA 98102 (there will be a charge for the annual report to cover copying costs). Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration’s Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling (202) 693-8673. Annual reports do not contain personal information, such as the amount of your accrued benefit. If you want information about your accrued benefits, you may contact the Overall Pension Administrative Office toll-free at (800) 531-1489 or write to the Plan administrator using the instructions provided on page 4 under “Where to Get More Information.”

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan’s available resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan’s financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$600/10$), which equals \$60. The guaranteed amount for a \$60 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information" below.

Where to Get More Information

For more information about this notice, you may contact the Overall Pension Administrative Office by calling toll-free at (800) 531-1489. You may also write to the Administrative Manager at the Western Conference of Teamsters Pension Plan, 2323 Eastlake Avenue East, Seattle WA 98102. If leaving a message or writing a letter, be sure to include the Plan participant's full name and Social Security Number and a phone number or address at which you can be reached. For identification purposes, the official Plan number is 001 and the Plan sponsor's employer identification number or "EIN" is 91-6145047.