



Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955

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Dear Contributing Employers and Teamster Bargaining Representatives:

The value and peace of mind provided by a well-funded defined benefit pension plan cannot be overestimated in these times of worldwide health concerns and resulting economic volatility.

As Chairmen of the Western Conference of Teamsters Pension Trust (“WCTPT”), we are closely monitoring the impact of these conditions on our funding and working with our fellow Trustees and professional staff to guide the Trust through these difficult times. We know you are interested in these efforts and in the general health of the Trust Fund, so we are jointly writing to you with a mid-year update on the Trust’s status and outlook.

Despite recent economic weakness, the Trust remains in excellent condition. Record employer contributions were received in 2019 and, for the first four months of 2020, contributions are up even more, increasing at an 8% annualized basis. The Trust’s diverse base of 1,412 employers in 85 industries provides protection from company-specific and industry weakness. Some of our key sectors, such as grocery, retail, waste disposal, and package delivery, are weathering the economic recession well. Some of our other industries are being affected more negatively, but the Trust’s 92.2% funding ratio provides a bulwark against possible future delinquencies. The Trustees are monitoring our contribution base closely and taking prudent steps to work with employers while also protecting the Trust.

It remains encouraging that the Trust is continuing to add new bargaining units from all over the Country as employers and Teamster local unions seek the best programs to provide retirement security. Over 2,000 new participants have joined in the first four months of 2020 alone. The WCTPT’s total active population has increased for six consecutive years.

The Trust’s investment policy is designed to perform relatively well in both strong and weak market cycles. We are finding this to be the case in 2019-2020, and the enrolled actuary’s decision last year to reduce our expected average investment return in all future years from 7.0% to 6.75% provides further protection in these turbulent times.

Near the end of this month, your employees and members will receive an annual Personal Benefit Statement from the Trust, reflecting the added value of their service in 2019 and noting the lifetime benefit they have accrued throughout their Teamster careers. Every participant who had even a few weeks of contributions paid on his or her behalf last year will see an increase in that accrued lifetime benefit, payable during the upcoming years of retirement. Your Trustees are proud to provide this good news to over 220,000 active participants.

We hope you find this short update timely and useful. Your Trustees are dedicated to transparency and sharing information designed to give you confidence that your employees and members are on a path to real retirement security. Each of us will be corresponding further with our respective constituencies in the weeks ahead.

Very Truly,

Chuck Mack
Union Chairman

Edward Lenhart
Employer Chairman