



# **Western Conference of Teamsters Pension Trust**

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

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## **Annual Pension Update For 2022**

Dear Sisters and Brothers,

After several years, 2019, 2020, 2021, of strong returns on investments, 2022 was a downer.

It ranks somewhere between disappointing and disastrous, depending on where investors put their money.

Inflation – Price gouging by many large corporations – The Federal Reserve's fixation with interest rate increases and the lingering impact of Covid, all took their toll.

The Capital Markets by the Numbers:

- 2022 was the worst investment year for the combination of stocks and bonds since 1937.
- Stocks were down on average 23%.  
The NASDAQ Composite alone was down 33%.
- Bonds were down on average 15%.
- And real estate was lower by 5%.

There was no place for investors to hide.

Our Plan felt the pain but overall did remarkably well in a difficult environment.

The Western Conference's portfolio was down - 9.7% in 2022. However, even with that, our total assets remained over 50 billion dollars at the year's end.

Here are the positives:

- Employer contributions increased by 6 ½% and totaled 2.51 billion dollars. Even more impressive than just the most recent year, since 2017 employer contributions have increased 38%.
- The Trust paid 3.19 billion dollars to over 230,000 recipients and beneficiaries, who live in all 50 states and a dozen foreign countries.
- Active participants again increased by over 3000. This is the 9<sup>th</sup> year in a row we've seen participant growth. No other Plan can match this.

- Despite the weak investment markets, our Plan's Funded Percentage improved. We are 99.1% fully funded and have no unfunded vested benefit liability. That translates into assets equaling liabilities or stated another way: enough in the bank to pay all current and likely future benefits promised.
- Likewise, there is no employer withdrawal liability.
- As you would expect given these numbers our Plan remains a Green-Zone Plan. The strongest funding level as determined by the Pension Protection Act.

Despite the chaos in 2022, we remain the largest, the fastest growing and the best funded Multiemployer-Defined Benefit Plan in the United States.

All Quiet on the Legislative Front?

Pretty much...

With the passage of the American Rescue Plan Act (ARPA), and President Biden's signature, the noise surrounding the GROW Act and the Grassley/Alexander proposals has diminished markedly. ARPA's implementation is now front, and center and its funds are being distributed to the 130 plus Multi-Employer Defined Benefit Plans (MEDBP) that are in critical/ declining state and facing insolvency. Most of these Plans are now stabilized to at least 2051.

ARPA is the most important Pension Legislation enacted since ERISA. It strengthens the entire MEDBP Universe and ensures that millions of workers, Teamsters, and others will receive the benefits they were promised and be able to enjoy a secure retirement.

The Western Conference of Teamsters Pension Trust (WCTPT) enthusiastically supported ARPA and is proud to have played a role in getting it enacted.

The GROW Act and Grassley/Alexander proposals which would have a devastating impact on our Plan and other multis did not gain traction in 2022. We don't, however, consider them dead; they still have strong and powerful supporters. We need to be alert and ready to do battle if necessary. When I say "we" I mean Joint Councils, Locals, Officers, Officials and Members. We overcame tremendous odds when we defeated GROW in 2020. We can do it again if it resurfaces and we can rally the same level of support.

Some good news, the IBT recently included, in the Questionnaire they require candidates for Congress to complete, a question on GROW. They want to know whether Congressional/Senatorial candidates support or oppose GROW. It's extremely important to have the IBT clearly and unequivocally supporting our position – "NO TO GROW". Thank you to International President Sean O'Brien and Legislative Director Jimmy Donovan and to our Vice Presidents from the West for making it happen.

This Years Communications:

Our Pension Trust will make three important mailings to members, beneficiaries, employers, local unions, and other stakeholders this year.

1. In mid-April the **Annual Funding Notice (AFN)** will be sent to over 700,000 Plan Participants, Local Unions and Employers. The Notice is required by Law and provides participants and stakeholders the information on our Plans funding level.
2. In the latter part of May, **Personal Benefits Statements (PBS)** will be mailed to Teamster Members/ Participants who have been credited with at least 250 hours of coverage under the Plan in 2022 and for whom the Trust has a valid address. The statement provides each member/participant with the hours worked and contributions made by each employer on a monthly basis. It also provides the annual benefit earned during 2022 and the total accrued annual benefit payable to the member/participant at age 65. Importantly, the PBS also contains a Beneficiary Designation Form. If you have not completed the form or wish to change the beneficiary designation, please complete it, and return it to Northwest Administrators.
3. In mid-December, the **Summary Plan Description (SPD)** will be sent to over 700,000 member/participants, Local Unions, Joint Councils, participating employers, and any other stakeholder. The SPD is required by Law and is sent every five years. It explains all Plan forms of benefit, eligibility rules, highlights changes made to the Plan in recent years and replaces all earlier summaries.  
The theme for this year's SPD is One Million Benefits Paid....and Counting. Since the Trust's inception in 1955, the Trustees have approved over a million benefits. Benefits include not just retirement but all others, including, disability, spousal, child survivor, lump sum death benefits et. al. The booklet cover will feature photos of hundreds of Teamster members and retirees, who are actual Plan participants. Most are smiling....and we know why!

As you know, the Western Conference Plan is special in many ways. One million benefits paid, the number of Plan participants, 50 billion dollars in assets and 3 billion dollars in benefits paid annually to participants, to mention a few.

One of the unique features, not often talked about, is the number of retirees/beneficiaries drawing benefits who are over one hundred years of age. As this letter is written there are 266 retirees over one hundred. The oldest of our retirees is Bertha. She worked in the canneries in California's Central Valley, retired in the early 1970's and just recently had her 110<sup>th</sup> birthday. Amazing!! She is approaching 50 years of retirement and 600 monthly pension checks! We're proud of all our retirees, but especially those who are over one hundred years of age. They underscore the commitment and promise of the Western Conference Plan, "once a member retires, she/he will receive a pension for their lifetime."

What makes the WCTPT the largest and strongest funded Multi-Employer Defined Benefit Plan in the whole country?

This is a question we get continuously from members of Congress, their staff, the Pension Benefit Guaranty Corporation, Teamster Unions in other parts of the Country, other Unions outside the Teamsters, employers and even in some cases, our own members.

The answer is, there is no one thing.

Our Trustees? YES, they play a vital role in managing the Trust and making day to day, month to month decisions.

The Plan's Providers: Attorneys, Accountants, Actuaries, Investment Advisor, Prudential, IT Cyber Security and Northwest Administrators, also play major roles. We are fortunate to have such an accomplished group of professionals working on our behalf.

However, the single most important reason for our success, is YOU.... the officers and officials, Locals, Joint Councils, and most of all our members. It's your support, loyalty, and willingness to fight for the Plan that makes it successful. You're the ones who negotiate Pension contributions in our Collective Bargaining Agreements. You're also the ones who demand Pension be included in contracts with newly organized companies. And you're also the ones that stand steadfast in opposition to any employer who seeks to withdraw from the Western Conference Plan.

It's that strength, support, commitment, and loyalty that makes this Plan successful and the largest and best funded Multi-Employer Defined Benefit Plan in the country.

Our Plan has done extremely well over the last 68 years and if we continue to work together, we can accomplish even more in the next 68 years.

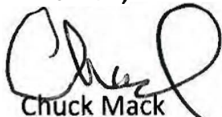
Thank you for all that you do.

Please feel free to share this letter with staff, representatives, and members.

Wishing you good health.

On behalf of the WCTPT Union Trustees,

In Union,

A handwritten signature in black ink, appearing to read 'Chuck Mack', with a large, stylized loop at the end.

Chuck Mack

Co-Chair-Secretary, WCTPT