



Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955

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The Annual Plan Update for 2024

The purpose of The Annual Plan Update is to bring participants up to speed on the events, activities, and changes that our Trust experienced in 2024, but this year we also want to take time to celebrate our 70th anniversary.

In 1955, The Western Conference of Teamsters Pension Trust (WCTPT) was born. Several Teamsters Locals in the Northwest brewery industry came together and negotiated something ground-breaking - a pension - into their collective bargaining agreements. At year's end this new plan had a few hundred Teamsters members and assets just short of a million dollars.

Fast forward to 2024, we finished the year with more than \$55 billion in assets and over 600,000 total participants and beneficiaries. We are the largest Multi-Employer Defined Benefit Plan in the United States.

Now, About 2024

While it was not a banner year, it was still solid and added to our plan's overall strength.

- Assets basically remain the same - over \$55.6 billion.
- Employer contributions reached a record high - \$2.65 billion.
- Benefits paid also set a record, we distributed \$3.46 billion to plan retirees and beneficiaries.
- Active plan participants increased for the 11th consecutive year to 231,353 participants. This is amazing. Few plans have seen any growth, let alone such growth as ours.
- While the Plan's funding levels dropped a bit, we are still fully funded and remain in the Pension Protection Act's ("PPA") green funding zone. Our PPA ratio is 95% but that includes non-vested liabilities. When we examine our vested obligation there is no unfunded vested benefits liability expected at the end of 2024, hence no employer withdrawal liability.

Here Are Some Other Facts

- The 1.6% bonus accrual continues for all of 2025, meaning benefits earned will be $\frac{1}{3}$ higher than they would have been without the bonus.

- WCTPT initially covered 13 western states but within the last 15 years we have grown. Today we represent units in 30 states and with the increase interest from out of the west Locals, Joint Councils and the IBT, we are expanding our reach to additional states.
- As we expand nationally, we have been able to bring thousands of new participants into the plan. The larger out of the West units include Costco, UNFI, Southern Glazer's and AlSCO.
- The Trust has nearly 1,350 separate employers that range in size from two employees to thousands.

We Age Well

- The Trust has over 8,800 retirees between the ages of 90-99 who are drawing benefits.
- Maybe more impressive, we have 277 participants over the age of 100 who are drawing benefits (We have included an update on Mary C. She is our oldest retiree, at 109, and she advises she will be thrilled to be collecting benefits when she turns 110 in October).
- In case you didn't know - it only takes between five and seven years of retirement for most participants to receive benefit payments that equal or exceed all the contributions made on that participant's behalf. Undoubtedly, making our pension one of the most valuable investments any of our members have.

Dedicated Bond Portfolio

Over the course of 2024, plan Trustees allocated \$32 billion in assets to a newly created 30-year dedicated bond portfolio. The portfolio is comprised of very high-quality fixed income securities. The bonds are cash-matched to retiree payments due each year and will generate enough in coupons and maturity proceeds to pay retirement benefits for all plan participants and beneficiaries who retired prior to January 1, 2024.

This Dedication is the largest ever formulated by any US pension program and it ensures additional retirement security through the year 2053 for to our more than 240,000 retirees and beneficiaries.

The Dedication also reduces the plan's exposure to the stock market by moving billions of dollars from stocks to safe and less volatile bonds. Our investment advisors and consultants estimate we now have less than 10% direct exposure to the stock market. Whether stock markets and/or interest rates increase or decrease, it will make no difference. These bonds are set aside and will continue to match the benefit promises made to our retirees.

Important to note, this is not a risk transfer to a third party. The bonds remain Trust assets, and we have the responsibility to oversee and pay all benefits, and to ensure the program achieves its purposes.

Communicate, Communicate, Communicate

This past April, the Trust mailed our Annual Funding Notice along with a Summary of Plan Changes to over 650,000 participants, Local Unions, Joint Councils, and employers. These notices are required by law and share vital information on amendments made to the plan in 2024 and provide transparency on our financial health. In May, Personal Benefit Statements will be

mailed to all participants who worked more than 250 hours in 2024. The statements provide information on benefits earned during the year, as well as a calculation of benefits earned over their career.

If I may, I would like to make two recommendations:

- First, visit and familiarize yourself with the Trust's website - wtcpension.org. It contains detailed information answering any questions a member/participant may have regarding the plan. The website also includes legally required notices and various plan forms, such as the Form 5500, Annual Funding Notice, The Annual Summary of Plan Changes for Participants and Beneficiary Designation Form, just to mention a few.
- Secondly, if you have not done so, **please complete a Beneficiary Designation Form**. Should a participant pass away, the failure to designate a beneficiary causes significant pain, anxiety and discomfort to all parties. This is one area that needs certainty.

So, What's Ahead In 2025?

A good question, and if anyone reading this knows the answer, please let me know.

Since the start of this year, we have witnessed unprecedented economic and market chaos. The only thing that is certain is uncertainty. Increasingly, we've realized the transfer of \$32 billion into bonds was an astute, timely and critical decision. We insulated trust assets from stock market volatility and protected the benefits of hundreds of thousands of our members.

Still on the other hand, we do have market exposure - the \$24 billion in our discretionary portfolio which includes real estate, commodities, infrastructure, private debt, private equity, and public debt. You can be reassured that we are monitoring this market exposure very closely. Whether the market goes up or down, we are prepared to adjust accordingly.

Another area of potential concern is Congress. It has been relatively quiet on the pension front, with the passage of the American Rescue Plan Act (ARPA) which included the Butch Lewis Act. ARPA has provided millions of dollars to defined benefit pension plans that were in distress and on the verge of bankruptcy. While our Trust did not need the funds, we supported the legislation as it strengthened all multi-employer defined benefit plans.

Our most significant concern now is the possible reintroduction of legislation that was proposed in the previous Trump Administration. Members of Congress, particularly the Senate, introduced bills designed to increase revenue to offset the tax breaks given to the wealthy in 2017. One proposal would have increased the Pension Benefit Guaranty Corporation (PBGC) annual insurance premium that all defined benefit pension plans pay. The increase would have been significant and would have cost the Trust millions of dollars. Worse yet, "stakeholder premiums" were also suggested. These would have required employers, unions and even members to pay what amounts to a tax on plan assets and annual returns. The potential cost to stakeholders could have been billions of dollars.

As of now, none of these ideas have been introduced this year. We will be diligently monitoring and preparing to fight if any become legislative proposals.

In Conclusion

2024 wasn't easy. The good news, however, is that our Trust rose to the challenges, and we made the necessary and important decisions to ensure WCTPT continues as the largest, best funded and most successful Multi-Employer Defined Benefit Plan in the country.

2025 doesn't look any easier. The unprecedented political and economic chaos raises the question of what's ahead. Whatever the uncertainty, you can depend on and be certain that the Western Conference of Teamsters Pension Trust will continue to pay benefits to our retirees, and beneficiaries keeping every promise made since the plans inception 70 years ago.

Once Again, Thank you to our Teamster members, their families, our retirees, beneficiaries, officers, officials, and staff in our Local Unions, Joint Councils, and International Brotherhood of Teamsters. Your loyalty, support, and willingness to defend the Plan when necessary is the reason the Western Conference of Teamsters Pension Trust is the largest, strongest multi-employer defined benefit plan in the Country.

As Promised: This Is Who We Are!

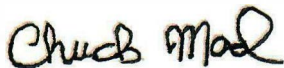


A Longevity Story

Mary C. was born in 1915 and began working for John Inglis Frozen Foods (later acquired by United Foods) in 1962 as a Floor Supervisor in the Frozen Foods Division. Mary received ten years of Past Service Credits from her hire date through 1972, when her unit joined the Teamsters and began Plan coverage. Mary then commenced retirement in June 1981. Mary's husband was also a Plan Participant, and she received a death benefit upon his passing.

To this date, Mary has been receiving a Western Conference of Teamsters Pension Benefit for over 43 years. She is the oldest living pensioner in the Plan at 109 years of age!

In Union,



Chuck Mack
Co-Chairman/Secretary WCTPT

On behalf of our Union Trustees:

Joint Council 3
Spencer Hogue
Karla Schumann

Joint Council 7
Peter Finn
John Bouchard
Jeff Berdion

Joint Council 28
Rick Hicks
Samantha Kantak

Joint Council 37
Mark Davison
Chris Muhs

Joint Council 42
Chris Griswold
Jaime Vasquez
Lourdes Garcia

Scan to visit our website at www.wctpension.org.

