



Western Conference of Teamsters Pension Trust
An Employer-Employee Jointly Administered Pension Plan - Founded 1955

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Dear Brothers and Sisters,

In mid-December, Congress passed, and the President signed the Omnibus Spending Bill. The legislation is lengthy, complex and controversial. Yes, it kept the doors of government open, but it also included a section dubbed the Multi-Employer Pension Reform Act of 2014, which makes major changes to the multi-employer funding and withdrawal liability rules. You may hear this new law referred to as MEPPRA.

The changes under MEPPRA are comprehensive, as we said controversial, and in some instances misunderstood. The media stories following the law's passage have created a myriad of questions and generated emotions, running the gamut from concern to panic.

Hopefully this communication will -- answer questions that retirees, members, staff and representatives might have about the new law -- reduce member/retiree anxiety levels -- and point out what the legislation will do, what it won't do, and the specific impact it will have on the operations of the Western Conference of Teamsters Pension Trust.

What will MEPPRA do?

- It extends the Pension Protection Act (PPA). The PPA was originally passed in 2006 and was set to terminate at the end of 2014. The new law extends PPA indefinitely.
- It increases the Pension Benefit Guarantee Corporation premiums for multi-employer plans. The premium, which is used to subsidize insolvent plans, will go from \$12 to \$26 per participant in 2015. Thereafter premiums are indexed based on the national average wage index.
- It makes a number of technical changes to the original PPA. In general, the changes will ensure greater efficiency and quicker response.
- It allows the benefits of retirees to be reduced in limited and specifically defined circumstances. This is the section of the Act that has generated the most publicity and controversy. It amends the Employee Retirement Income Security Act of 1974 which prohibited a reduction (cutback) in a retiree's pension benefits. The legislation will allow a reduction, but only if a plan is "Severely Underfunded and in Critical and Declining

Status and facing Insolvency in less than 20 years. In reality, there are only a few plans across the Country that would face reductions, and the Western Conference of Teamsters Pension Plan is not one of them.

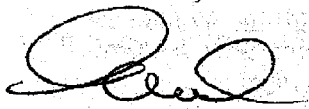
What MEPRA will not do

- It will NOT reduce retirement benefits of retirees or actives under the Western Conference Plan. We have never been deeply troubled, seriously underfunded or in a critical declining state. We are, and always have been, in the PPA's "green zone", the best funded zone under law. We have a funding level that approximates 91% and is on the way up. The Plan's actuaries believe our future funding outlook remains strong.
- It will NOT affect our asset or liability base. We are the largest multi-employer plan in the United States, and we continue to grow. Our assets are close to 37 billion dollars.
- It will NOT affect how our Assets are Invested. Over the past 20 years, our annual return on investments has averaged 8.4%.
- In short, the new law will NOT affect the operations of our Plan **and the benefits of our retirees and members will NOT be reduced.**

In light of the controversy and misinformation generated by the passage of MEPRA, I would ask that you share this letter/email with representatives, staff, members and retirees, in your local, as you see fit.

If you have questions, please don't hesitate to call.

In Union,



Chuck Mack