
Trustees Announce Exit From Funding Improvement Plan



MAY 4, 2022

**Teamsters Pension Trust Fund
Of Philadelphia and Vicinity**



Pension Fund Update

BACKGROUND

Back in August 2021, we shared with you good news regarding the Pension Fund. We informed you that the Fund had assets of over \$2 billion and the year-to-date investment return as of July 31, 2021, was 12.0%. Now, as of December 31, 2021, we can inform that the Fund has over \$2.3 billion in assets and the return for the year of 2021 was 17.1%. Due to this progress, we are happy to inform you that the Fund is now over 80% funded and as a result, we have exited from the Funding Improvement Plan one year early.

WHAT DOES THIS MEAN?

Because we are no longer under a Funding Improvement Plan and we are over 80% funded, the Board of Trustees can provide benefit improvements, which means increased benefit accruals beginning with service earned in 2022.

HOW MUCH OF AN INCREASE WILL I SEE?

The average increase will be approximately 30%, although some may see less, and some may see more. It is all dependent upon the differences in the contribution rates for the employer for the years of 2004 and 2008. The benefit accrual, beginning with service earned in 2022, will be based upon the employer's contribution rate as of December 31, 2008.



Prior to this benefit improvement, benefit accruals were based upon an employer's contribution rates as of December 31, 2004.

WILL I SEE THIS INCREASE BEYOND 2022?

The most important factor is that the Fund needs to remain above 80% funded to continue to improve benefits. This is something that the Board of Trustees, along with investment consultants, legal counsel and Fund actuaries will continue to monitor. It is the obligation of the Board of Trustees to maintain financial soundness of the Fund along with monitoring investment returns. The Board of Trustees will continue to communicate with the participants as we move forward.

Sincerely,

The Board of Trustees

Teamsters Pension Trust Fund of
Philadelphia and Vicinity