

Teamsters Pension Trust Replacement – Updated 9/16/25

Summary: The City is proposing that we move from the Teamsters Pension Trust to the deferred compensation program (DCP) offered by Washington DRS for a variety of reasons.

Conditional Proposal

We heard the concerns from staff about how the transition to a DCP would impact the funds they have already contributed into the Teamsters Pension Trust. Given the City's priority of getting out of the Teamsters Pension Trust, **we are offering the following proposal, but it is only effective upon contract ratification.**

In addition to any eligible DCP match, and for the term of this CBA contract only, the City will contribute a flat monthly amount for eligible employees based on the following criteria and amounts:

Hire Date	Amount Per Pay Period ¹	Annual Amount ²	Total at End of Contract ³
Before January 1, 2023	\$163.00	\$1,956.00	\$7,824.00
Jan. 2, 2023 - Jan. 1, 2024	\$122.00	\$1,464.00	\$5,856.00
Jan. 2, 2024 - Jan. 1, 2025	\$81.00	\$972.00	\$3,888.00
Jan. 2, 2025 - Dec. 31, 2025	\$41.00	\$492.00	\$1,968.00

¹ Deposited into the DCP following each month of full-time working status (paid by the city).

² Assuming the employee works full-time every month for the entire year.

³ Assuming the employee works full-time every month all four years of the CBA (2026-2029).

Again, this is in addition to a matching contribution of up to \$120/month to the deferred compensation program offered through Washington DRS. This also results in larger City contributions on the employees' behalf and smaller contributions from employees.

Plan	Employer Annual Contribution	Employee Annual Contribution
Teamsters	0.25 x 2080 hrs = \$540	1.25 x 2080 hrs = \$2,600
DCP	Up to \$120/mo. x 12 months = \$1,440	\$120/mo. x 12 months = \$1,440*

** Assuming the employee does the full match. Employees can contribute less or more, and adjust throughout the year.*

The DCP plan offers immediate vesting and all money contributed belongs to the employees themselves upon deposit. The DCP also offers flexibility throughout the year, allowing employees to adjust their contributions based on what is right for them (with plenty of notice). If the employee leaves the City prior to retirement, the money in the DCP can be rolled over into an eligible plan or account.