

## Broken Promises

expenses, your 401(k) account will run out of money, whereas in a Defined Benefit Plan you will not run out of money. For instance, in the Western Conference Plan, the money that is paid in for a participant who retires now, is paid back to that participant with a 4% monthly (that will be even faster when the accrual rate is raised) and then they still get their monthly retirement for the rest of their lives, regardless of how long they live. See [http://wctpension.org/whats\\_new/pwnl.html#Anchor-100](http://wctpension.org/whats_new/pwnl.html#Anchor-100) to read about Walter Gruenke, a retired Teamster who has collected his monthly checks for the last 40 years.

The continuing entrance of new participants into the Western Conference Pension is another source of the plan's strength. To help encourage new participants, special incentives have been developed. One of those incentives is the **2 for 1 benefit**, which gives up to 10 years past service credits and 5 years contributed credits after only five years of plan participation, nearly tripling your investment. See our flier: Pension Plan Update #2<sup>2</sup> to find out how this credit works.

The 2 for 1 benefit is an opportunity for us to make up lost time in a pension plan. The problem with a 401(k) being used as a pension plan substitute is that it's very difficult to build a fund for those who enter later in life. The ones who really lose out are those of us that are caught in mid-to-late career, which is the majority of UAL mechanics.

### Seize the Opportunity!

It's important to note that **joining the Western Conference Pension does NOT mean having to give up your 401(k) and no one would ask you to give up or change what you already have.** While it can have its pitfalls, 401(k)'s as a supplemental retirement savings should be an integral part of retirement planning, and everyone should contribute into it as much they afford. However, if you are going to compare a 401(k) and a Defined Benefit Plan, the 401(k) does not work well as a primary means of securing retirement. You can have both; and if you're given the opportunity to have the added security provided by a Defined Benefit Plan, you need to take it. Having a Defined Benefit Plan like the Western Conference Pension Plan only adds to the peace of mind you will need in retirement.

The AMFA has been trying to confuse the Western Conference Pension plan with the Central States Plan, something our Committee has previously warned about in our flier, Pension Plan Update #3<sup>3</sup>. To be clear: If this plan is negotiated, everyone in our class and craft would belong to the Western Conference Pension, arguably the best plan the Teamsters have to offer! It's important to realize that the Western Conference Pension is not like the old United plan. It's a multi-employer plan with thousands of contributing employers—and new employers continually join—so if a company goes bankrupt, it doesn't affect a worker's pension.

I truly want to make this plan a part of my retirement, as do the vast majority of my coworkers. This plan will give us financial security in our retirement years. **The first step to**

**achieving this goal is to get the Teamsters in as our collective bargaining representative.** I encourage everyone to make the choice to secure our future by filling out and submitting an Election Request Card. An election is the only way to decide who we really want to represent us.

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**For further reading about the shortfalls of 401(k) plans:**

<http://www.time.com/time/magazine/article/0,9171,1122017,00.html>

**To see a video report on Retirement and 401(k)'s:**

<http://www.pbs.org/wgbh/pages/frontline/retirement/view/>

<sup>1</sup>[http://crr.bc.edu/index.php?option=com\\_content&task=view&id=100&Itemid=3](http://crr.bc.edu/index.php?option=com_content&task=view&id=100&Itemid=3)

<sup>2</sup> [www.teamstersatual.com](http://www.teamstersatual.com), click on "Pension Info"

<sup>3</sup> [www.teamstersatual.com](http://www.teamstersatual.com), click on "Pension Info"

