



| 30TH INTERNATIONAL CONVENTION OFFICERS' REPORT |

| 2021 OFFICERS'REPORT TABLE OF CONTENTS |



Welcome to the Delegates	3
Report of the General President	5
Structure of the International Union	38
Programs and Services	40
Divisions and Conferences	44
Report of the General Secretary-Treasurer	50
Programs and Services	58
Consolidated Statements of Financial Position	64
Teamster Affiliates Pension Plan	83
Retirement and Family Protection Plan	93
New Charters, Affiliates Mergers and Dissolutions	106





DELEGATES AND ALTERNATE DELEGATES:

Welcome to the 30th International Convention of the International Brotherhood of Teamsters.

The Teamsters Constitution states that you, the delegates, are the “supreme governing authority of the International Union.” It is this body that not only reviews the work of the union for the five years since the last Convention, but sets the groundwork for the next five years.


On the cusp of 2022, the Teamsters Union is still under attack. But the strength of our members never wavers. They have played a major role in every campaign of our union, from protecting pensions to taking on every industry and major employer in the global supply chain—including Amazon.

Our time in office is coming to an end and it is with great pride that we reflect on all we have accomplished. This administration turned around the finances of the union by instituting sweeping reforms in every area. We balanced the budget for the first time in more than a decade; hired skilled auditors and accountants; and developed programs to extend these reforms to Teamster affiliates. Rebuilding the strength and power of the Teamsters also allowed us to establish a dedicated strike fund.

Those reforms have kept our union financially strong. We’re proud to say that as of Dec. 31, 2020, our net assets were \$475.9 million, of which \$289.5 million were in the Strike and Defense Fund.

Keeping the International Brotherhood of Teamsters strong long into the future is part of the responsibilities of you delegates and alternate delegates. It means that you have been entrusted to represent the concerns of our 1.4 million members. Yet your willingness to lend your time and effort to this process speaks to your dedication to our union’s mission. We are confident that you will represent the members well.

On behalf of the General Executive Board, we wish to thank you for joining us in this great effort to stay Teamster strong!


JAMES P. HOFFA
General President


KEN HALL
General Secretary-Treasurer





State of the Union

In the decades that Jim Hoffa has stewarded the union as General President, the Teamsters Union has been forced to look at the challenges of the future as well as the consequences of the past.

Protecting pensions has been a long-term struggle, stretching back to the beginning of Hoffa's more than two decades at the helm of the Teamsters.

Multiemployer pension plans have been buffeted by economic turbulence over the decades—from deregulation to financial meltdowns to recessions. The pandemic's impact on multiemployer pensions was substantial. The shutdown of the U.S. economy amplified the financial struggle of these plans. Senior citizens and essential workers have been disproportionately impacted by both the impacts of COVID-19 and the pension crisis.

They have also been instrumental in the union's fights against both.

Recently-enacted pension reform only happened after years of hard work on the part of the Teamsters Union and its members.

Under the Butch Lewis Emergency Pension Plan Relief Act of 2021, bill language inserted into the American Rescue Plan (ARP) that was signed into law in March, more than 50 Teamster pension plans—including its largest, the Central States Pension Fund—will be eligible for assistance, with more of the union's plans becoming eligible in 2022.

There are more than 200 multiemployer pension plans across the country that will immediately benefit from the pension provisions included in the ARP. Under the new law, money to assist eligible plans will come directly from the U.S. Treasury Department in the form of grants which would not need to be repaid. Plan participants will receive 100 percent of their earned pension benefits.

While past efforts to hammer out reform were bipartisan in nature, it became obvious in mid-2019 that the Teamsters would need Democratic control of the House, Senate and White House to get this done after former Senate Majority Leader Mitch McConnell refused to take up the Butch Lewis Act, which passed the House with 29 Republican votes.

That's why Teamster members themselves decided they had to make changes at the ballot box as part of the 2020 election to get this done. Many got out on the campaign trail in fall 2019 and let candidates know that pension relief was essential and needed to be supported.

Once Biden and the new Congress were sworn in, they got to work. The COVID-19 stimulus bill that included multiemployer pensions was considered under reconciliation, a legislative process that allowed the Senate to pass the legislation with a simple majority of votes instead of the 60 votes needed under regular rules.

Under the leadership of House Ways and Means Chairman Richard Neal, a long-time pension reform advocate, pension language was inserted in the broader House bill in committee and cleared legislative attempts to have it removed.

The President, working with House Speaker Nancy Pelosi and Senate Majority Leader Chuck Schumer, had promised to tackle pension reform in the lead up to the 2020 election if given the reins of power. And a little more than 50 days after Biden took office, they did just that.

"Teamster members told the union as it ramped up its election efforts that pension security was their top concern," Hoffa said. "With that in mind, the union put together a plan to help elect President Biden and other lawmakers who

promised to prioritize the retirements of hard-working Americans. They followed through with that promise and delivered for us."

This is how the Teamsters reached their goal of having pension reform enacted. Promises made, promises kept.

There are still huge obstacles facing labor unions and their members, but the Teamsters Union is fighting them on all fronts. In fact, many of the "challenges of the future" are here today. The union hasn't shied away from tackling the challenges of automation and artificial intelligence or taking on misclassification of workers by companies in the gig economy.

Unions and workers are facing challenges from new business models like Uber. Teamsters have aggressively fought misclassification of gig workers like this, and are also fighting for union rights at Uber.

The union's biggest mobilization, however, has been at Amazon, the most valuable brand in the world.

Amazon

Due to the unsafe working conditions workers faced during the coronavirus pandemic, we've seen a wave of worker-led activity, especially among nonunion, low-wage workers in the logistics sector.



A major flashpoint of worker activism has been at Amazon. While the rest of the economy has felt the crush of the pandemic, the online retail goliath has enjoyed the booming business of Americans forgoing trips to the store in favor of online shopping.

Amazon is the biggest player in the global supply chain right now and they are set on taking it over completely. The company is ruthlessly anti-union and has built its massive wealth on the backs of its underpaid workers.

Due to its exploitative labor practices, Amazon poses an existential threat to the rights and standards that we have fought for and won, as Teamsters and the labor movement as a whole. From back before trucks were even on the roads and goods were moved with teams of horses, it was Teamsters, not greedy corporations like Amazon, who built the logistics industry.

"The Teamsters Union has been the ambassador for workers in the logistics industry, standing side by side with them for more than 100 years. We built this industry, we helped build the middle class, and we are the natural fit for workers, like those at Amazon, who want to ensure that they have dignity, respect and good working conditions on the job," said Randy Korgan, Teamsters National Director for Amazon and Secretary-Treasurer of Local 1932 in San Bernardino, Calif.

Whether workers are employed in Amazon warehouses or as drivers at Amazon-controlled and subcontracted Delivery Service Partners (DSPs), Amazon workers experience dehumanizing treatment, lack of job security, dangerously high production rates, and workplace discrimination as they make huge profits for the company. According to Amazon's own OSHA 300 log data, Amazon workers are more than three times as likely to get injured at work than the average private sector worker.

The Teamsters have stood by Amazon workers in their fight for dignity and respect on the job—from solidarity on the picket line to lawsuits against Amazon over its failures to provide adequate health and safety measures for employees to joining workers in protesting Amazon's retaliatory actions against workers during the COVID-19 pandemic.

"Rich corporations like Amazon may have billions of dollars but as workers, our greatest power is our solidarity," said Jim Hoffa, Teamsters General President. "As Teamsters, we stand shoulder to shoulder with all workers fighting for safety, dignity and respect on the job, and this can only be won through solidarity."



Across the country, Teamsters have been responding to worker calls for support in building power and asserting their rights.

The Teamsters Union supported warehouse workers in Bessemer, Ala., who recently worked to form their union with the Retail, Wholesale and Department Store Union (RWDSU). This was Amazon workers' first major attempt to form a union at a fulfillment warehouse in the U.S. As was expected, Amazon brought in numerous union busters and ran an aggressive campaign to spread lies to discourage and intimidate Bessemer workers from voting to form their union.

In April 2020, Teamsters stood with workers at a Minnesota Amazon facility who staged a walkout and won the reinstatement of one of their co-workers who was fired for refusing to report to work due to concerns about the virus and the company's failure to ensure safety. The Teamsters also called on Amazon's board of directors to issue a report on how the company oversees workplace safety at its own and its contractors' facilities.

Amazon workers need collective power and a voice and the International Brotherhood of Teamsters is uniquely poised in the growing movement to build worker power at Amazon. Teamsters work in all aspects of the global supply chain; as freight drivers and package delivery workers; as port and warehouse workers; on the rails and in the air. The Teamsters Union is the union of workers in the global supply chain. Standing firm on a foundation of over 100 years of tradition, strength, and pride in what we do, Teamsters will help spark the fire that leads to change.

At this very moment, Amazon workers are uniting to build real worker power to take on Amazon.





Teamster members in this industry, as well as in other industries, who have strong union contracts protecting their wages, benefits and working conditions, are not going to stand by while their brothers and sisters at Amazon are making half as much in wages, have no retirement or health care, and little to no safety or protections on the job.

Amazon's massive growth in the logistics space in the past three years represents the biggest threat to wage and working standards since trucking deregulation. The Teamsters Union is taking unprecedented steps to address this challenge, building the necessary infrastructure and foundation at every level of our great union. This will not be an easy or short fight and it's imperative that we continue the work we have started and commit at this, our 30th Convention, to expand our capabilities and build on the foundation to take on the Amazon threat for decades to come.

As Teamsters, we look forward to a day when all workers in the logistics industry enjoy the rights, dignity, power, and respect that comes with a union contract. We are collectively committed to doubling down and doing the hard work necessary to make this vision a reality.

Pandemic

The coronavirus has put a spotlight on the essential labor American workers perform to keep society running. Before the pandemic, most people didn't think about the global supply chain and the workers who keep it going.

At the same time, it also exposed the vulnerability of nonunion workers who have been stripped of so many rights and protections on the

job. Teamsters and other union members have the benefit of collective bargaining agreements that include strict workplace safety measures. But most workers in America are unprotected.

During the pandemic, more than a million essential Teamsters never stopped working. For those workers, and those now back on the job, Teamsters worked nonstop for effective and enforceable safety and health standards.

When employers purposefully discarded safety guidelines, Teamsters made sure there were penalties. The union fought efforts by politicians to provide overly broad, blanket liability protection to businesses, making it more difficult for workers or patrons to hold employers accountable if they discard safety standards.

The Teamsters have been pushing for safety in the food supply chain since the beginning of the pandemic. In June 2020, Teamsters working in the food supply chain in more than 30 cities across the country rallied to demand change in the wake of COVID-19 outbreaks in the food industry, specifically the need for enforceable safety standards, government funding for paid sick and family leave, hazard pay, access to PPE and testing capacity.

When the first COVID-19 vaccine was approved, it was UPS Teamsters who were chosen to get it out efficiently and professionally.

"Moving forward, and as our union continues to grow, hopefully people will recognize what a vital cog we are in keeping America moving and keeping our economy strong," said Jim Hoffa, Teamsters General President. "Teamsters have shown the world what we've known all along: Teamsters are essential."

The union has not only been keeping employers accountable on safety issues, but it has been caring for members on a more personal level. Many locals and Joint Councils have had food drives and distributions, often working with local or national charities.

In June 2020, Local 340 in Maine and Catholic Charities USA launched a three-day mission to deliver desperately needed food to the charitable organization's chapters across New England, starting the trip from the union hall in South Portland. Over three days, the Teamsters delivered more than 40,000 pounds of food to locations in Maine, Massachusetts, New Hampshire and Rhode Island. Local 385 in Florida and Local 639 in Washington, D.C. partnered with the Society of Saint Andrew on food distributions. All of these were staffed by Teamster volunteers.

Government Oversight Ends

Feb. 17, 2020, marked the end of the transition period of government oversight established by the Final Order negotiated in 2015, bringing closure to more than 30 years of government involvement in Teamsters internal affairs.

"This is a historic day for the Teamsters," Hoffa said at the time.

In 2015, Chief Judge Loretta Preska of the United States District Court for the Southern District of New York approved an agreement that ended more than 25 years of government oversight of the Teamsters Union. The agreement resulted in dismissal of the Civil RICO case that was brought by the government in 1988, ended the Consent Decree which had been in effect since 1989, and replaced it with a Final Order which allowed for the government's involvement in the internal affairs of the union to be phased out over a five-year transition period which ended in 2020.

"The union has been returned to the members and will operate without government involvement for the first time since 1989. This is a promise I made on day one and am proud to have accomplished for our great union," Hoffa said. "All members can be proud that the Teamsters Union's commitment to democratic principles and to the highest of ethical standards stands as an example for the labor movement and other members of our community."

As part of the Final Order, the union agreed to establish and maintain effective and independent supervision of the IBT International Union Officer and Convention Delegate elections and an effective and independent internal disciplinary mecha-

nism. This ensures that the union's commitments in its Constitution to democratic elections for its leaders and for a union free from corruption can be fulfilled.

For the first time since 1991, the Teamsters Union appointed the Election Supervisor and Appeals Master for the 2021 International Union Officer elections without the need for the government's agreement or consent.

The union also now has the right to appoint, again without government agreement or consent, its Independent Disciplinary Officers.

At the end of his term on February 17, 2021, Independent Investigations Officer (IIO) Joseph diGenova was replaced by Robert Luskin for a five-year term. Luskin has previously served in a similar capacity for the Laborers International Union of North America. Independent Review Officer (IRO) Barbara Jones was reappointed to another five-year term.

As the Teamsters Union moves into a new era, union leaders must remain vigilant to protect their members and the union from anyone who would try and corrupt or do harm to the institution. Together, rank-and-file members and the union's leadership can continue to make sure the Teamsters Union is the greatest labor organization in the world!

Teamsters Help Power Biden-Harris Ticket to Victory

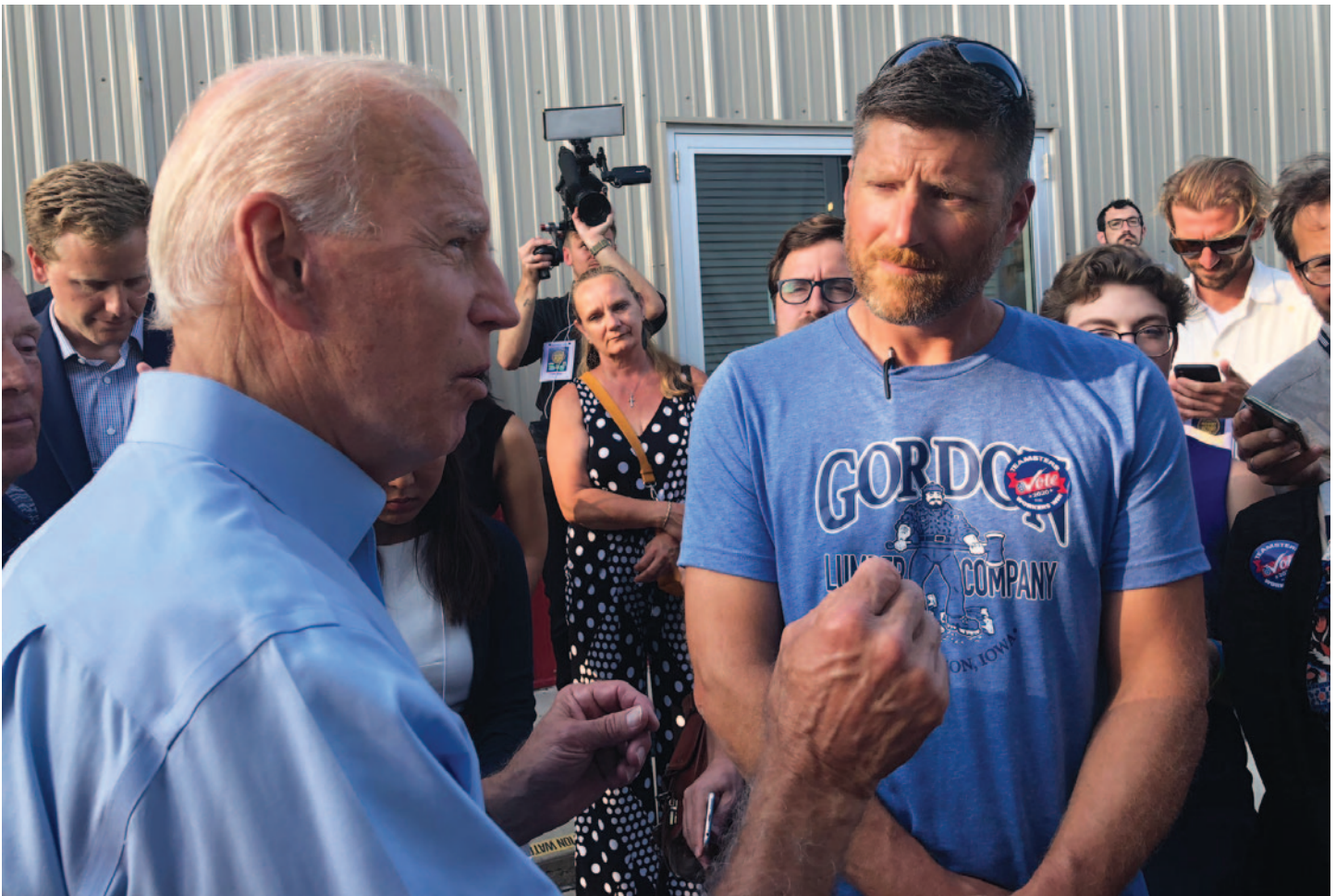
The election of Joe Biden as president and Kamala Harris as vice president in November 2020 represented the culmination of more than 18 months of work by the Teamsters to help get a pro-worker presidential ticket elected to represent the best interests of hardworking Americans in the White House.

"This union backed the Biden-Harris ticket because it put forward a bold pro-worker agenda that will enhance the ability of workers to join together and collectively bargain for better pay and working conditions," Hoffa said.

In the spring of 2019, the Teamsters began holding meetings about the 2020 presidential election and how the union would get involved. It started by soliciting the views of the membership on both their top issues and their presidential candidate preferences.

From there, it moved into training political field organizers on how to best reach out to both members and candidates on the campaign trail. And the union asked presidential contenders interested in earning its endorsement to sign an





issues pledge, sit for a video interview and offer their support for Teamsters in person on the picket line.

The Teamsters even hosted a presidential candidate forum along the way. In December 2019, six leading U.S. presidential contenders shared their views with more than 700 Teamster members and retirees in Iowa about pension reform, expanding collective bargaining rights and other top issues that matter most to hardworking Americans. The Teamsters Vote 2020 Presidential Forum was co-sponsored by The Guardian and the Storm Lake (Iowa) Times newspapers.

The Teamsters were active participants early on in the primary season. But then the coronavirus pandemic hit, and everything changed. The union needed to find new ways to reach out to its membership—many of whom were working in essential jobs, but whose worksites barred outsiders.

That meant empowering shop stewards to talk to their colleagues about the issues and ramping up efforts like phone banking, texting and digital advertising to reach the membership. Some 150 field organizers nationwide, as well as other

Teamster volunteers and staff, made 340,000 phone calls and sent 1.2 million text messages in the lead up to the November 3 election. The union also sent out 1.3 million pieces of mail and reached more than 350,000 members via digital advertising.

Over 80,000 members voted early in states prioritized by the Teamsters, including more than 30 percent of the union's membership in Michigan and Wisconsin, swing states narrowly won by the Biden-Harris ticket. Political field organizers also helped get key lawmakers elected down ballot as well.

The result of all that work is the election of President Joe Biden, a man who spoke at the Teamsters 2011 Convention, and created and led the Middle Class Task Force during his time as vice president.

Vice President Kamala Harris was also a strong ally for the union before her election as second in command.

Now, they are moving forward on an agenda that prioritizes working Americans, both on the job and in their golden years after work is done.

And they are winning! The Teamsters in March secured their long-sought effort to save faltering multiemployer pensions thanks to its inclusion in Biden's American Rescue Plan.

In the final days of the campaign, Biden made it clear in a video addressing the membership that he would have the Teamsters Union's back on these issues.

"It's long past time the government went to work for you as hard as you have been working for us," he said. "It is not enough to praise you. We need to protect you, pay you, make sure your pensions are square. Wall Street didn't build this country, the middle class built this country. And unions built the middle class."

The Teamsters are glad to be partnering with the Biden-Harris administration to build a better America that works for workers.

Build Back Stronger

Working Americans have been hit hard by the ongoing coronavirus pandemic—not just their health, but their wallets as well. Millions are out of work and struggling to keep food on the table. And thanks to some policy changes made during the Trump administration, the social safety net is fraying beneath them.

That's unacceptable in this country. But unfortunately, it is not surprising. It's what happens when unionization is undermined and workers don't have

the basic protections they need at the workplace. That's why the Teamsters are urging the Biden administration and Congress to take action as part of the union's Build Back Stronger campaign.

The results of those efforts thus far have been productive, as President Biden has signed several positive executive orders (EOs) during his first months in office.

For example, his Made in America order sets in motion a series of reforms to current federal procurement policies that are designed to eliminate the excessive and unnecessary use of foreign suppliers through trade-pact waivers. These waivers, which can be used to procure goods from 60 countries that are U.S. trade partners, have allowed billions of tax dollars to be spent overseas rather than with American suppliers.

Another EO issued by Biden rescinds Trump administration directives which curtailed the collective bargaining, due process and workplace representation rights for federal workers, while also putting forward a plan to raise the minimum wage for federal government workers and contractors to \$15 an hour.

But that is only a start for the pro-worker agenda needed in this country. Congress and all relevant federal agencies must prioritize a solution to the growing problem of worker misclassification through congressional and administrative action.

The Teamsters know there is a lot more work to do to build strong unions. It won't stop until it's done.





Trade

The Teamsters Union has been on the frontline of the fight to stop destructive trade deals like the TPP, China PNTR, CAFTA and NAFTA for decades. Millions of working men and women saw their jobs leave the country as free-trade policies undermined our manufacturing industry.

The last five years have seen huge developments in trade for working families. The biggest change was the replacement of NAFTA with the United States-Mexico-Canada Agreement (USMCA).

After Donald Trump took office in 2017, he sought to replace NAFTA with a new agreement with Canada and Mexico. All three countries ratified the new agreement by March 2020, and on July 1, 2020, NAFTA was replaced by a deal much better for workers everywhere.

The deal was made possible due to the hard work of the Teamsters, a bipartisan collection of policymakers and allies who joined together and worked for years to get it done.

From the get-go, securing an overdue fix to the cross-border trucking provision that threatened highway safety and the competitiveness of the American trucking industry was essential for this union. The North American Free Trade

Agreement (NAFTA) had made roadways less safe due to allowing older, Mexican-domiciled trucks on them.

“For the first time today, Teamster truckers will have protections on the job that they haven’t had in at least a quarter century thanks to the enactment of this new trade pact,” Hoffa said after the legislation passed.

Addressing cross-border trucking was necessary, but not sufficient, to securing the Teamsters’ support of the agreement. That came with new enforcement mechanisms that will protect worker rights in Mexico, especially the right to form independent unions. The labor chapter also includes the right to strike as an expression of the freedom of association and contains protections against workplace violence and for migrant workers.

USMCA also eliminated the investor state dispute settlement chapter from the original NAFTA that gave foreign corporations greater rights than American citizens.

In 2017, President Trump also made good on his promise to withdraw the United States from the Trans-Pacific Partnership, something the Teamsters Union had been pushing.





Fighting Misclassification

Misclassification is an illegal practice that the Teamsters Union has fought hard against for decades.

The illegal practice of misclassification allows companies to avoid the costs of standard workplace protections like workers' compensation, health care, minimum wage and Social Security, passing costs off onto taxpayers, depriving the state of revenue, and putting law-abiding companies at a competitive disadvantage.

It is particularly hard for workers who are misclassified as independent contractors by their employers. Since the pandemic has ravaged the American workforce, challenging misclassification is more important than ever. At a time when workers most need protections, so-called "independent contractors" are denied even the most basic ones.

California enacted a landmark law in 2019 that rewrote the state's employment law to crack down on the use of independent contractors by companies, and the Teamsters played a huge role in getting it done.

Members from all over the Golden State gathered in Sacramento to press lawmakers to support AB 5, saying it was time to end misclassification. The Teamsters continued to ramp up pressure to approve the bill during the legislative process.

Hoffa called passage of the legislation, "a strong stand with workers who should earn a living wage and have the protections to which they are entitled."

Since then, and with the help of the Teamsters

Port Division and Local 848 in Long Beach, Calif., port drivers have been challenging their misclassification as independent contractors and exercising their rights as employees. These workers have filed and won individual wage claims and class action lawsuits over their employers' violations of state and local laws, including failure to pay the minimum wage.

Unfortunately, the state took a step backward in 2020 when voters approved Proposition 22, which strips California workers of basic protections like minimum wage, overtime, paid sick leave, workers compensation and unemployment insurance, and the right to join together with a union. Billion-dollar corporations like Uber and Lyft wrote the proposition and paid to put it on the ballot in California to boost their own profits.

In 2020, New Jersey legislators passed a historic legislative package that helps protect workers from misclassification. The Teamsters Union supported the package and applauded New Jersey Gov. Phil Murphy for signing the legislation.

The package of bills cracks down on employee misclassification by allowing stop-work orders against employers violating state wage, benefit and tax law; assessing penalties for violations in connection with misclassification of employees; requiring employers to post a notice for employees about misclassification; and more.

"This is a tremendous step forward in protecting workers in New Jersey from misclassification," said Fred Potter, President of Teamsters Local 469 in Hazlet, N.J. "This legislation will not impact legitimate independent contractors, but it



will serve to protect the thousands of workers who are harmed by the illegal practice of being misclassified by their employers as independent contractors when in fact they are employees.”

Fighting Right to Work

Right-to-work laws are designed to attack working families and the middle class by weakening their strongest advocate, labor unions. Their goal is to weaken bargaining rights, drive down wages and benefits and roll back rights on the job.

Right-to-work laws require workers and their unions to cover the costs of nonunion workers who benefit from union contracts. These laws are proven to drive down wages and weaken workers’ unions by undercutting bargaining power.

Whenever this anti-worker legislation is introduced, the Teamsters Union is there fighting it.

“Right to work is an attack on the very middle class that sustains democratic society,” Hoffa said. “These laws aim to financially cripple organized labor. The result is less power for workers and more flexibility for employers to drive down wages and fatten their pockets.”

Since our last Convention, there have been both victories and losses on the right-to-work front.

In February 2017, the Teamsters helped defeat right-to-work legislation in New Hampshire. In a bipartisan rejection of the anti-worker bill, the House of Representatives voted it down resoundingly.

“This is a great victory for the working men and women in New Hampshire,” Hoffa said after the vote. “Thanks to the hard work of our mem-

bers with the support of Local 633 and Joint Council 10, right to work and its destructive agenda have been defeated here.”

Some lawmakers in Ohio were up to their old tricks again in 2018 when a hearing was held to discuss a right-to-work bill. But the Teamsters and other unions showed up and made it clear that the Buckeye State doesn’t need any more laws that infringe on the rights of workers. The legislation didn’t pass.

The Teamsters Union also strongly opposed national right-to-work legislation introduced in Congress in 2017. The destructive anti-worker bill, H.R. 785, would have amended the National Labor Relations Act and Railway Labor Act to institute right to work in all states. That legislation also didn’t pass.

“It’s shameful that some members of Congress have chosen to prioritize big business interests over the demands of their constituents,” Hoffa wrote in the Huffington Post after the bill was introduced.

After the Missouri Legislature and former governor enacted right to work in the state in 2017, the Teamsters and other unions came together to get voters to place a measure on the state ballot that would overturn the law. When it was put on the ballot the next year, voters overruled the law by more than a two-to-one margin.

The battle against right to work is far from over. Anti-worker forces won’t stop until they have right-to-work laws in every state. Even in states that adopted this unfair legislation, Teamsters are still fighting.



Janus Decision

In 2018, the U.S. Supreme Court sided with anti-union lawyers and billionaires in the contentious “Janus v. AFSCME” case, an attempt to undercut the ability of public sector workers to join together and negotiate for better pay and benefits on the job.

“The Supreme Court’s ruling is at a time when so many Americans are struggling just to make ends meet,” Hoffa said at the time of the ruling. “By overturning 40 years of judicial precedent, conservative judges endorsed an agenda supported by corporations and the wealthiest in our society to take away the right of public employees to negotiate over wages, benefits and working conditions. The Teamsters and our allies in the labor movement will redouble our efforts to ensure that working men and women have a voice on the job through strong unions.”

When the ruling was issued, many said it would gut the union movement. The decision, however, has only served to revitalize it.

The union had been preparing for the decision for some time, and shortly after the Supreme Court’s decision was announced, Teamster leaders discussed the serious repercussions from the case and how they prepared for the court decision’s impact.

In Iowa, the state’s Republican-led government quickly passed a new law where workers were forced to revote on whether to remain in their union. Local 238, with the help of the International Union, was forced to run 69 state-sponsored recertification elections for 2,200 bargaining unit members.

“A funny thing happened on the way to the funeral,” said Jesse Case, Secretary-Treasurer of Local 238 in Cedar Rapids, Iowa. “We won. We won because we know how to organize.”

Of the 1,888 members who voted, 1,828 voted to remain with the Teamsters—97 percent of voters.

A Bloomberg Law analysis from June 2020, two years after the decision was handed down, shows that public-sector unions were largely able to stave off a membership exodus. The Teamsters Union did better than average.

By redoubling their efforts to connect with workers in the wake of the high court ruling, the Teamsters have more public employee members today than it had before the Janus decision was handed down. And other unions are reporting similar success stories.

“While we still believe the Supreme Court incorrectly ruled in the case and it should be overturned immediately, the Teamsters are proud of



how our local unions have responded,” Hoffa said. “Members understand the value of strong unions like the Teamsters in their fight for better pay and safer workplaces.”

“Teamster members understand that when we stand together in our union, we have the power to win fair pay and benefits, and create good jobs in our communities,” said Jason Rabinowitz, Teamsters Public Services Director. “That’s why we are standing strong in the face of all these efforts to weaken and divide working people.”

“Because my co-workers and I stand together in our union, we have the power to advocate for one another at our employer,” said Bianca Jones, Assistant Housing Manager for the New York City Housing Authority and Teamsters Local 237 member. “The more you get involved with your union, the more you understand what value it brings to the workplace. I’m proud to be a Teamster!”



DRIVE and Political Programs

In 1959, The Teamsters recognized the need to develop comprehensive legislative and political programs within the union following the passage of anti-labor legislation. In November of that year, James R. Hoffa established the Department of Legislation and Political Education. Hoffa called for the department to develop a political action program with member support.

D.R.I.V.E. (Democratic, Republican, Independent Voter Education) was born, with two main objectives:

To elect candidates to public office who are friendly to the interests of Teamster members; and Passage or defeat of legislation of special concern to Teamster families.

Throughout the decades, D.R.I.V.E. has had countless victories on behalf of workers. But with each new legislature that is sworn in at the state and national level, new anti-worker techniques and ideas crop up. Corporate cronies for years have sought to do everything they can to push their platform to the public in hopes of getting more anti-worker policies passed at all levels of government.

Conservative groups, including those whose main objective is to smash workers and unions, are building a nationwide network to influence and indoctrinate voters, win elections and take over government.

Automation

The future of work is being shaped in the present, as companies work on developing automation in industries from trucking to warehousing. The Teamsters Union is making sure worker voices are heard, and working to protect jobs and preserve good working conditions.

Teamsters around the country are vocal on the future of work, with several Teamster leaders representing workers by providing critical guidance to leaders in their states. Hoffa and Hall have also been outspoken on this issue.

In an interview in the November 2019 issue of Car and Driver magazine, Teamsters General President Jim Hoffa noted companies developing autonomous trucking technology have a clear profit motive, while there are concerns for public safety as this technology is being tested.

"They want to get rid of the human element. And that's what's wrong, and that's why we have unions, to protect workers. We want the future to include workers. We want to make sure that workers have a better life," Hoffa said.

Technology can create efficiencies and improve lives, but it can also increase income inequality and displace workers. Teamsters are speaking up to ensure that the future is not dictated to workers, but shaped in large part by them.

In 2017, Teamsters General Secretary-Treasurer Ken Hall testified at a Senate Commerce Committee hearing on self-driving technology, urging for the





exemption of commercial vehicles from pending legislation and the need for further analysis of the safety, jobs and cybersecurity impact of developing technologies.

“It is incumbent upon the members of this committee to help ensure that workers are not left behind in this process. It is essential that American workers are not treated as guinea pigs for unproven technologies that could put their lives at risk,” Hall said.

Hall noted the Teamsters Union is concerned about the impact of advanced automated technologies on highway safety.

“The safety and reliability of these vehicles must be ensured before passing legislation to put them on the road. We’re not there yet,” Hall said.

Hall expressed grave concern over combining personal vehicles with commercial vehicles—such as 80,000 pound, 18-wheeler trucks—in the same legislation.

“The issues facing autonomous commercial trucks are fundamentally different, and potentially more calamitous than those facing passenger cars, and warrant their own careful consideration,” Hall said.

Hall told the committee that the Teamsters Union “looks forward to working together to ensure that the priorities and concerns of working families remain at the center of this debate,” and said that in all aspects of automation, but especially when considering commercial motor vehicles, “it is more important to get it done correctly rather than just done quickly.”

Hall mentioned that many of the corporations that employ Teamsters are responsible, but also noted the risk of “bad actors” in an environment without robust, thoughtful regulations for autonomous technology.

At a Congressional roundtable in 2018, Teamsters were there to stress the importance of taking action now to ensure quality jobs into the future and provided a strong voice for working people on this issue. The roundtable featured a panel of academics, nonprofit leaders, industry representatives and political leaders.

Of the many lessons we have learned from the pandemic is essential workers cannot be replaced by algorithms.

Organizing

Organizing is the lifeblood of the union. It is essential to build Teamster strength for workers by organizing and raising standards. The key to the union’s organizing successes can be found in following the disciplined Teamster Organizing Model, as well as empowering workers to build their own movement for change; building alliances with key allies; using politics to organize and more. You can read about all of this in the 2021 Officer’s Organizing Report.

Every time an organizing campaign is under way, the collective efforts of the union are critical to its success. Thanks to the work of the Organizing Department and Teamster organizers throughout the United States and Canada, the Teamsters Union is now North America’s premier organizing union.

There are 1.4 million Teamsters who have found a strong voice by building a union in their workplace with the Teamsters. Now, more than ever, the strength of the Teamsters is organizing for power!

The pandemic showed workers everywhere how much better a union could make their lives. Essential workers who had union jobs worked safer, often got hazard pay, and had all their protections spelled out before the pandemic. Seeing that, nonunion workers are mobilizing to join the Teamsters.

The last five years was a banner time for organizing. Workers across North America took the bold step to become Teamsters in that time, paving the way for a more secure future for themselves and their families.

Drive Up Standards

The Teamsters Drive Up Standards campaign to improve safety, service and work standards in the private school bus and transit industry began in 2006.

Since then, the campaign has become a model for its success in organizing workers on a monumental scale, organizing more than 60,000 bus

workers throughout North America.

In more than 30 U.S. states and Canadian provinces, the Teamsters Union represents drivers, monitors, mechanics and dispatchers in all areas of the private busing industry.



By growing union density in the school bus industry, workers have been able to secure better pay, job security, health care, newer and safer equipment, more time off, respect and effective grievance procedures.

At each company, the Teamsters Union has made, and continues to make, a real difference in the lives of school bus workers

throughout North America. In fact, the number of workers has grown enough to warrant the creation of a new Teamster Trade Division. As the campaign marks its 15th anniversary, there is much to be proud of and even more to look forward to.

New Trade Divisions

The Passenger Transportation Division was created in 2017. The Division represents drivers, monitors, aides, attendants, mechanics and dispatchers. These members drive school buses, shuttles,





taxis and more. Rick Middleton, an International Vice President and Secretary-Treasurer of Local 572, was chosen to lead the division.

The Teamsters Passenger Transportation Division represents the more than 60,000 workers in this industry that have signed union cards, fought for and gained recognition by their employers, and went on to negotiate and ratify industry-leading contracts—most of whom were doing so for the very first time.

“The creation of a new division will help to direct the resources we need to continue the fight to raise safety standards, combat wage theft, push for better pay and benefits, protect job security and give workers a voice on the job. It will pave the way to ensuring a job in passenger transportation is a pathway to middle-class prosperity,” Middleton said.

In August 2020, First Student Teamsters voted overwhelmingly to ratify their national master agreement with the company. The contract covers more than 20,000 Teamsters at the company through 2021.

“Negotiations were disrupted by the COVID-19 pandemic, but the committee reached a deal with the company to address as many issues as we could under the circumstances,” Middleton said.

This contract includes a number of significant improvements, including protections against the use of audio or video equipment by management to target members for discipline or discharge, additional safety obligations on the part of the company and improved transfer rights in the event that a member moves to another location. Perhaps most notably, the committee reached an agreement with the company to create a new job classification for non-CDL drivers, which restricts what non-CDL work can be performed and gives preferences to full CDL operators. This provision will



protect members’ jobs from being outsourced to ride-share companies and provide a pathway for First Student members to attain a CDL.

At press time, the next First Student agreement was being voted on by the membership.

In 2019, the Teamsters Union created the Teamsters Health Care Division. Health care workers had been Teamsters for decades but, with increased organizing and unique needs, the division was created, and Hoffa appointed Nina Bugbee as Director.

Bugbee is President of Local 332 in Flint, Mich. She became a Teamster member while working as a licensed registered nurse, and moved on to become a shop steward, business agent, and principal officer of the local, which represents about 3,000 members.

The Teamsters Health Care Division represents more than 50,000 Teamster members who are critical to our health care system, working in hospitals, nursing homes, wellness centers, the American Red Cross and more. Teamsters represent everyone from doctors and nurses to respiratory technicians, phlebotomists and emergency medical technicians.

Since the beginning of the pandemic, the Health Care Division has been busy watching out for the safety of health care professionals. The union made sure these front-line workers were given the tools to work safely. The division has been diligently listening to and addressing any issues that arise in the workplace on the local level, including bargaining over the effects of COVID-19 to protect wages, benefits and working conditions.

Workers at the American Red Cross make up one of the largest bargaining units in the Health Care Division. In 2018, those workers approved their agreement with over 91 percent voting to ratify.

The three-year agreement was the result of several months of negotiations between the Teamsters, which represents over 1,500 Red Cross workers, other labor unions in the Coalition of Unions and American Red Cross.

The Coalition represents more than 4,500 vital health care workers in 24 states, and includes Teamsters, AFSCME, AFT (HPAE and Oregon Nurses Association), CWA, Operating Engineers, UAW, UFCW, United Steelworkers and SEIU.

Key victories in the national addendum for workers include improved health care benefits; 8.25 percent in wage increases over the course of the contract; and safety and health protections.

Strong Contracts

Even in difficult economic times, the Teamsters Union has been able to protect good jobs and negotiate strong contracts.

The first contract is the foundation. The second and subsequent contracts are the structures that are built upon for a powerful future.

Even in the middle of a pandemic, Teamsters have been able to secure strong wages and benefits. While nonunion workers continue to struggle with little or no health care, Teamsters are some of the most secure workers in North America due to their strong health care coverage. This coverage has provided members and their families with the protection they deserve.

UPS Contract

Teamsters at UPS are covered under the nation's largest collective bargaining agreement. The five-



year contract covering about 250,000 Teamster-represented workers at UPS took effect in April 2019, increasing wages, protecting benefits and creating thousands of new full-time jobs.

Economic improvements in the contract were retroactive to August 1, 2018, which meant that UPS had to cut checks worth \$660 million to workers shortly after the contract took effect.





"This contract is worth \$14.5 billion, making it the richest UPS contract in history," said Hoffa, who served as Chairman of the Teamsters National Negotiating Committee, shortly after the contract took effect. "Our members work hard every day making UPS successful, and this contract will provide our members the security they deserve in the years to come."

"I'm happy to be moving forward—I think this is a great contract," said Kevin Kemer, a member of Local 407 in Cleveland and a 30-year UPS Teamster who is a package-car driver. "This contract provides UPS Teamsters with many gains and it will also help UPS remain successful, which is important for its workforce. The ultimate goal for workers is to have a career at UPS, and this contract helps workers attain that goal."

The contract addressed major issues for members, including: wage increases for both full-time and part-time Teamsters; health insurance with no premiums; strengthens grievance enforcement for harassment; creates thousands of new full-time jobs; ensures less subcontracting; and much more.

UPS Freight Contract

The UPS Freight contract wrapped up in July 2018 after seven months of complex and difficult

bargaining. The union negotiating committee was aggressive at the bargaining table. At times, things became heated with the company. More than one session abruptly ended with loud and "spirited" exchanges.

Throughout bargaining, Teamsters were focused on trying to improve contractual language, increasing compensation, protecting and improving health, welfare and pension benefits, and protecting and preserving bargaining unit work opportunities. The end agreement accomplished those objectives.

Despite the fact that the agreement represents only the third national agreement with UPS Freight, the protections and benefits in the contract are extremely good and are reflective of a much more mature bargaining relationship.

Under the agreement, UPS Freight's wage and benefit packages will continue to be among the highest in the LTL industry. Furthermore, contractual protections and benefits to the bargaining unit have been greatly enhanced.

ABF/NMFA

In 2018, Teamsters employed at ABF Freight System, Inc. ratified the national master portion of their national agreement that covers approximately 8,500 drivers, dockworkers, mechanics



and office workers.

The bargaining committee put together to represent Teamsters in negotiations with ABF was made up of dedicated and experienced Teamsters from all regions of the country. Each member of the committee was connected with the ABF membership. Some members of the committee were former ABF employees with significant insight into ABF's operations. Attorneys, economists and administrative staff were made available to assist the bargaining committee and the committee made full use of these resources throughout the process.

Prior to the start of negotiations, the Teamsters National Freight Industry Negotiating Committee (TNFINC) conducted member surveys, solicited and accepted proposals from every affected ABF local union, and spoke with many ABF members and local union business agents. TNFINC's economists studied the company's finances as well as the state of the economy. Ultimately, 100 percent of the committee supported and endorsed the tentative agreement.

Some of the more significant changes contained in the new agreement include:

- Restoration of the vacation week that was previously given up under the last contract was a top priority of the members. TNFINC was successful in gaining back the 2008-13 vacation schedule based on eligibility and years of service.
- The union successfully opposed the company's attempt to have only a bonus in the first year of the agreement and no wage increases for the life of the agreement. Total increases, absent any COLAs, will grow by \$2 per hour or 5 cents per mile for road drivers over the term of the contract.
- In addition, the union was able to also leverage tax-cut legislation and secure a \$1,000 lump sum signing payment for all active, full-time employees upon ratification.
- The company was looking to radically alter how all benefits are delivered to Teamsters and was insisting on having all future health and welfare contributions be "fixed" with hard numbers at rates lower than what it was paying to most funds. In the end, the union's negotiating committee prevailed in requiring the company to continue to stay in all health and welfare plans.
- Other provisions of the new agreement include maintaining pension contribution

rates; improved paid-time-off protections; improvements to equipment and safety; tightened disciplinary standards regarding alleged "dishonesty"; and leave of absence protections.

In addition to the many improvements, the union committee was able to defeat several attempted company takeaways, including demands for no wage increases, taking away holidays and overtime cuts.

"The union held its ground and made it clear we would not accept concessions and that we needed to address our members' priorities, both of which we were able to achieve," said Ernie Soehl, Director of the Teamsters Freight Division.

YRCW/NMFA

Teamster-represented workers at YRC Freight, Holland and New Penn approved the national master portion of the YRCW National Master Freight Agreement in 2019. The contract raised wages, restored a week of vacation and protects benefits.

The national master portion of the agreement, which covers about 25,000 workers, was ratified by a 60 percent to 40 percent margin.

"Over the past decade our members have sacrificed so much to keep the YRCW companies operating, and this contract makes up for a lot of that. This contract should improve the livelihoods of our YRCW Teamsters for the next five years," Hoffa said. "Freight is the backbone of our great union and this contract recognizes our members for their hard work."

Other improvements in the contract include prohibitions against using driverless trucks; protection of health and welfare benefits with no employee premium co-pays; and improved language to curb excessive executive bonuses.





Costco Contract

In April 2019, Costco Teamsters covered by two separate contracts for California and the East region voted to ratify two agreements, covering more than 17,000 workers with this new three-year agreement.

"For this contract we really tried to unite the East and West and push one national contract," said Mike Bergen, Secretary-Treasurer of Local 166 and a Co-Chair of the Costco negotiations.

The contracts include annual wage increases, annual pension contribution increases, improved scheduling and other improvements.

The California agreement passed with 86 percent voting yes and the East region agreement passed with 94 percent voting yes. The East contract covers Costco workers in New York, New Jersey, Maryland and Virginia.

"These contracts will ensure that Costco Teamsters continue to be the highest paid workers in the retail industry, with top-notch benefits and the job security they deserve for themselves and for their families," said Steve Vairma, Director of the Teamsters Warehouse Division.

"This new contract works very well for us. It helps new people coming in and we have the highest pay ever. This is the best contract. It's really, really good and I couldn't be happier," said Marco Jones, a front-end cashier at Costco in Beltsville, Md.

DHL Contract

In March 2018, workers at DHL Express approved a new national Master Agreement that provided historic wage and standard-of-living protections through significant annual wage increases, benefit contribution increases, and a strong cost-of-living adjustment clause.

The Teamsters negotiated wage increases totaling \$5 per hour over five years. These are record annual hourly increases for full-time DHL Teamsters. In addition, the agreement provides contribution increases totaling up to \$6 per hour to maintain and protect their health care and pension benefits. Part-time workers also got meaningful raises.

"This is a historic agreement, especially given the challenging issues we faced in negotiations due to the changing delivery environment and the fact that we have more than 28 riders, and numerous health, welfare and pension funds," said Bill Hamilton, Director of the Teamsters Express Division, said at the time. "This contract reflects the hard work and dedication of our DHL Teamsters covered by the agreement. This agreement reflects the fact that when the parties come to the table with the idea to protect and improve the lives of the working men and women around America, great milestones can be achieved."

The contract covers more than 2,800 Teamsters—drivers, clerical workers and gateway employees.





Carhaul Contract

Teamster carhaul members ratified a national auto transporters contract in 2017 which maintained and protected health, welfare and pension benefits through the end of the contract and provide annual wage increases. The national contract was ratified by a margin of over 86 percent.

The 5,000 workers covered by the agreements also received a back-pay settlement of \$1,600 to cover the period that elapsed since the expiration of the previous agreement.

"The negotiations have been a long and difficult process but in the end we negotiated an agreement that met the two top goals of our membership: traditional wage increases and maintaining our members' top-tier health and pension benefits," said Kevin Moore, Director of the Teamsters Carhaul Division, after the contract was ratified.

The national agreement provides for health, welfare and pension contributions to maintain benefits. It also provides for annual wage increases plus significant mileage-rate increases during each year. In addition, all current "new business" rates will be increased by 6 percent and then by 3 percent each year going forward and now be subject to the COLA clause, which was not the case previously.

The contract was set to expire on May 31, 2021. The union reached an agreement with the carhaul employers for a one-year contract extension, through May 2022, which was ratified by members in May 2021.

The extension was negotiated because of the difficult economic conditions associated with the pandemic, including a chip shortage which has adversely affected the automobile industry.

United Airlines Mechanics' Contract

Mechanics at United Airlines stations across the



nation ratified a six-year National Joint Collective Bargaining Agreement with the company in December 2016 after more than three years of negotiations.

More than 9,000 mechanics in the bargaining unit saw their compensation move to the top of the industry, marked improvements in leave and a unique industry reset, which put the mechanics' package 2 percent above the highest compensation in the industry every two years. Teamster members also got a signing bonus worth tens of thousands of dollars.

"This is a landmark day for the Teamsters," Hoffa said at the time. "From the very beginning of the aviation industry, the Teamsters have been raising standards for workers. As a union, we've taken another step up today."

"This contract represents the largest contract for a mechanics group in airline industry history," said Capt. David Bourne, Director of the Teamsters Airline Division. "It is a package worth a collective \$1.7 billion in improvements in compensation and benefits over the current agreement. I've always said proudly that Teamster contracts are the strongest in the industry and this contract is one of our strongest ever."

"This contract was possible because of the solidarity we demonstrated shift-to-shift and station-to-station," said Joseph Prisco, a mechanic at United Airlines and a member of the United Airlines negotiating committee.

Amtrak Contracts

In April 2018, Amtrak contracts covering the members of the Brotherhood of Locomotive Engineers and Trainmen (BLET) and the Brotherhood of Maintenance of Way Employees (BMWED) were ratified.



Ratified by better than a 9-to-1 margin, the BLET agreement applies to more than 1,400 locomotive engineers who operate Amtrak's passenger and commuter trains over its 21,000-mile, 46-state route system.

"This contract protects the work rules that our Amtrak members work under while also capping their health care contributions and providing real wage increases," said Dennis Pierce, President of the BLET.

BMWED members at Amtrak, who build and maintain rail and related structures, ratified their contract by an overwhelming 95 percent. In a political environment that was difficult for collective bargaining, the agreement protects work rules and provides for modest but consistent wage raises. It also avoided additional mediation and/or a potential Presidential Emergency Board, as well as a repeat of binding arbitration, which settled the previous bargaining round with Amtrak in 2014.

"Overall, we protected the members against the vicious and sustained assault Amtrak management pursued through most of the bargaining round," said Freddie Simpson, BMWED National Division President.

Anheuser-Busch Contract

Teamsters at Anheuser-Busch's breweries overwhelmingly ratified a five-year agreement in January 2019 that covers more than 4,400 workers at 12 facilities across the U.S.

The contract provides wage increases totaling \$2.50 per hour; improvements to retirement security; and a \$4,000 bonus. As with the previous agreements, it maintains excellent benefits and job security.

"This contract provides our members at Anheuser-Busch with the solid wages, excellent benefits and job security they deserve," said Jim Hoffa, Teamsters General President. "Our members work hard to make this company successful, and this contract recognizes their hard work."

"Our negotiating committee listened to the membership and negotiated a contract that provides job security and financial security for these hardworking men and women," said Greg Nowak, Director of the Teamsters Brewery and Soft Drink Conference.

University of California Contract

With over 97 percent of the vote, the clerical and administrative (CX) workers at the University of California (UC) ratified a new contract in





August 2017.

The contract covers 12,000 employees at 10 campuses, five medical centers and three national laboratories, which include increases in wages, health care, retirement benefits and more. It also protects the right to join together and take action as Teamsters to improve conditions; requires UC to provide progressive discipline before terminating an employee; and protects union access to the workplace to communicate with members.

At the 2016 Teamsters Women's Conference, hundreds of attendees rallied on Hollywood Boulevard to show their solidarity and call for the university to pay a living wage.

"On behalf of the 1.4 million members of the Teamsters Union, I am proud to stand here in solidarity with all UC Teamsters," Hoffa said at the rally. "We are here to send a clear message that the Teamsters will not back down until the University of California delivers on a fair contract."

Disaster Relief Fund

Teamsters are a resilient group, and throughout the union's history, members have been tested by countless natural disasters. The Teamsters Disaster Relief Fund has been at the forefront of the recovery efforts in affected communities throughout North America.

The Teamsters Disaster Relief Fund is a charitable 501(c)3 developed in 1991 to assist Teamster members who have suffered a loss from a disaster long after the media has forgotten. The fund receives donations from members, local unions



and their affiliates. Relief funds are available to any member who has suffered property damage or loss in areas declared natural disaster sites by federal agencies. Local unions submit applications to the fund on behalf of members requesting aid.

In the last five years, the fund has proven to be essential for disaster-struck Teamsters.

In 2017, three hurricanes tore through the United States in quick succession: Hurricanes Maria, Harvey and Irma all affected Teamster

members. In the aftermath of the storms, relief poured from all over the country to the affected areas, and the Teamsters were on the front lines.

In September 2017, when Hurricane Maria devastated Puerto Rico, Teamsters were among the first relief groups on the island, offering support, supplies, logistics and other volunteers. The Disaster Relief Fund was so important to bringing the island back on its feet that San Juan's mayor thanked the Teamsters.

"You opened the roads, tended to our wounds, gave us food and water—you stood by us when others wouldn't. For that, as the mayor and a Puerto Rican, I will forever be grateful to you," said San Juan Mayor Carmen Yulin Cruz.

Shortly after that the devastation in Puerto Rico, Hurricane Harvey ravaged Houston and then Hurricane Irma made landfall in Florida. In both cases, Teamsters were there.

The Teamsters Disaster Relief Fund was also there to assist during historic flooding in Louisiana in 2016 which displaced approximately 1,000 Teamsters and their families. They were back in Louisiana and Southeast Texas in 2020 when Hurricane Laura devastated communities and they assisted members affected by a derecho storm in Iowa the same year.

When communities are affected by a natural disaster, the Teamsters are often the lynchpin of relief efforts—getting supplies to people in need,

handling logistics and distribution.

Roy Gillespie, Joint Council 13's Human Rights Coordinator, is the union's man on the ground

when disasters strike, and with each new disaster, he leads the way to recovery. In crisis after crisis, Gillespie has coordinated the Teamster relief effort alongside the Army, the Red Cross and other agencies.

"When somebody needs something the Teamsters can do, we make it happen," Gillespie said. "Every time Teamsters get involved, others realize what we're capable of."

If there is a silver lining to these disasters, it's that Teamsters know they can rely on one another in the worst of times.

TMAP

The Teamsters Union is part of an innovative program that helps active military personnel transition to a career in transportation. The Teamsters Military Assistance Program (TMAP) provides commercial driver's license (CDL) instruction behind the wheel and in a traditional classroom setting.

Veterans bring knowledge, skills and experience back from their service, and many active military members already possess the foundation for successful careers in transportation.

Currently TMAP is partnering with two employers: ABF Freight in the freight trucking industry





and FirstGroup in the passenger transport industry. Once the CDL is earned by a participant, the union and employer provide job placement assistance.

In 2019, the Dixon Center for Military and Veterans Services awarded the Teamsters the Eugene and Ruth Freedman Leadership Award. The honor recognizes the Teamster Union's leadership and outstanding commitment to addressing the well-being of veterans and military families.

Colonel David Sutherland (RET), Chairman of Dixon Center said, "President James Hoffa and the Teamsters Military Assistance Program (TMAP) have influenced labor unions and their contracted employers across the country on how to utilize internal resources to assist veterans and military families in a positive way. They have created a unique pathway for veterans and active military service members to participate in life-changing career pathways. Dixon Center proudly recognizes them for their ongoing efforts and leadership. The continued efforts are life-changing for our service members as they transition from military to civilian culture."

James R. Hoffa Memorial Scholarship Fund

A better quality of life has always been the major goal of the labor movement, and education has always been an option to achieve that goal. And

each year, hundreds of college students are furthering their education with help from the Teamsters Union.

The first scholarships from the James R. Hoffa Memorial Scholarship Fund (JRHMSF) were awarded in 2001, and since then, more than 4,000 students have received them.

In all, \$11,253,000 in funds have been awarded.

Of the many accomplishments of the Hoffa administration, the JRHMSF might be the most far reaching.

"The cost of a higher education has significantly outpaced the inflation rate, putting it further out of reach for far too many people," Hoffa said. "I'm proud of the countless lives we've changed with this scholarship."

To many families, the scholarship has been essential in providing a helping hand with tuition costs.

The scholarship is available to the children or financial dependents of Teamster members planning to attend a four-year college or university. In 2017, the JRHMSF also began distributing awards for students attending vocational/training programs.

Social Media Program Pushes Teamster Message

With the constant evolution of online communications tools, Teamsters are staying ahead of the



curve in our use of social media platforms and digital strategies. Nearly 350,000 people follow the Teamsters Union across multiple channels, and that's to say nothing of the reach that many locals and Joint Councils have achieved through their social media programs.

The International Brotherhood of Teamsters has more than 240,000 Facebook followers, far exceeding the number of followers on all other major national union Facebook pages. A steady stream of content—including news about organizing and contract campaigns, live-streamed events, videos, pro-union graphics, member stories, podcasts and shared content from locals—keeps our audience engaged on the social network. Compared to other digital platforms, Facebook is where our union reaches the most members.

Beyond our main Teamster social media channels, the union has developed Facebook pages for numerous organizing and contract campaigns to reach members with important updates on negotiations, balloting and to help build support for union organizing efforts among workers. We use targeted Facebook and Instagram advertising to get our message out further on both platforms, where it has become increasingly effective and

necessary to broadcast paid content.

On Twitter, our union has built a large following of more than 65,000 users that include allied organizations, labor activists and reporters. This platform helps us get the Teamster message out beyond the membership and to the broader public.

Over the last five years, Teamsters have established a big presence on Instagram, where our union account reaches a younger audience of newer members and workers. With more than 20,000 followers, Instagram has been the fastest growing social platform for our union in recent years and remains critical in helping us get the union message out to a new generation of workers.

The Teamsters YouTube channel, which has more than 9,300 subscribers, has been recently revamped to make it easier to find videos organized in playlist categories based on top Teamster issues. This change has led to a more engaging presence on a platform that has grown in popularity and social relevance in recent years.

Over the past year, social media has been more essential than ever given the need to reach our members with important updates on COVID-19

and how the pandemic has affected various Teamster industries. It has also served to showcase the many essential services that Teamster members provide in even the darkest times to keep communities and the economy running. And in a high-stakes election year in which so many important Teamster issues were on the ballot, Teamsters developed sophisticated social media campaigns to power get-out-the-vote operations across the country in 2020.

United We Stand

Maintaining strong unions has always been the way to maintain a strong middle class, and the Teamsters Union has been building up and bolstering the middle class in the United States and Canada since 1903.

The Teamsters Union is truly the most powerful and most respected labor union in the world. By standing together, the union has been able to achieve great organizing victories, win strong contracts and maintain good jobs.

Today, the climate for working families has never been tougher. Workers face a pandemic, a global economy riddled with unfair trade deals, right-to-work laws and the deep pockets of billionaires who control anti-worker politicians.

The only way to be successful in our fight against our enemies is through unity.

As the saying goes, power goes to two poles—to those who've got the money and those who've got the people. As union leaders, we know that people only have power when we stand together. There is no truer statement than, "United we stand, divided we fall." What is true for our country is true for our union.

We need solidarity if we are going to win our fight to maintain collective bargaining and defeat right-to-work laws. We need it if we are going to speak with one voice to maintain safe work environments during a global pandemic.

We need unity to win our battle to organize the unorganized and take on anti-union employers.

We need to stand as one to say "no" to legislatures that try to balance their budgets on the backs of working men and women.

This fight will not be easy, but we will prevail because the alternative is unacceptable. We all know that unions like the Teamsters are the last line of defense for the middle class. Our only option is victory. The fight is too important.

You, the delegates to the 30th International Convention, will determine what direction our union will take in the coming years. You are the leaders of our union and as such, will lead the fight. Together, we will win by building on our successes, fighting our enemies and continuing to represent the interests of our members.





STRUCTURE OF THE INTERNATIONAL UNION



The International Brotherhood of Teamsters is the world's most democratic labor organization. Our structure makes sure that our policies and procedures accurately reflect the priorities of our members.

Executive Leadership

The highest governing body of the International Brotherhood of Teamsters is the International Convention, which is held every five years. Delegates to the Convention, who are elected by the membership, are empowered to amend the Constitution, enact resolutions and determine policy.

Day-to-day administration is conducted by the General President, General Secretary-Treasurer and the General Executive Board, all of whom are chosen by direct election by the membership. The General President and General Secretary-Treasurer supervise the programs, policies and finances of the union.

The General Executive Board is currently made up of seven At-Large Vice Presidents, three Eastern Regional Vice Presidents, three Central Regional Vice Presidents, two Southern Regional Vice Presidents, four Western Regional Vice Presidents, three Canadian Vice Presidents and three International Trustees. Between Teamster Conventions, the General Executive Board, guid-

ed by the Teamster Constitution, is the governing body of the union. The General Executive Board meets in executive session four times a year and is elected directly by the 1.4 million Teamster members in the U.S. and Canada.

Local Authority

There are hundreds of Teamster local unions across North America. The local unions and their members are the heart and backbone of the union.

Unlike other labor unions, the Teamsters Union is structured to promote strong local unions and strong local leaders. Since the locals negotiate most Teamster contracts and provide most of the services to the members, they keep most of the dues money. Locals retain their own expert labor lawyers, certified public accountants, full-time business agents, organizers and clerical staff.

The members of each local elect their own officers, devise their own structure and vote on their own bylaws, compatible with the International Constitution and Bylaws. While enjoying their independence, the locals benefit from the expertise and assistance of the International Union, and of the various conferences and councils in the union's structure.



Joint Councils

Teamster Joint Councils are set up in areas with three or more local unions. Joint Councils help coordinate Teamster activities in those areas. They also help solve problems and decide some jurisdictional and judicial matters.

State Conferences

Statewide and multi-state conferences provide services to local unions and Joint Councils. They are staffed to coordinate such activities as collective bargaining, organizing, political action and community services.

Trade Divisions and Conferences

Trade divisions and conferences aid Teamster leaders throughout the country who share common interests and problems. They provide an informational clearinghouse for locals that negotiate in the same industry or bargain with the same employer. Local representatives discuss common problems and concerns at regular trade division and conference meetings.

Like trade divisions, trade conferences concentrate on issues affecting their respective industries. They convene to mobilize support for specific issue positions and provide a forum for members to discuss common problems and devise strategies.

Current trade divisions and conferences include:

- Airline Division
- Bakery and Laundry Conference
- Brewery and Soft Drink Workers Conference
- Building Material and Construction Trade Division
- Carhaul Division
- Convention, Trade Show and Casino Division
- Dairy Conference
- Express Division
- Food Processing Division
- Freight Division
- Graphic Communications Conference
- Health Care Division
- Industrial Trades Division
- Motion Picture and Theatrical Trade Division
- Newspaper, Magazine and Electronic Media Conference
- Package Division
- Passenger Transportation Division
- Port Division
- Public Services Division
- Rail Conference
- Solid Waste and Recycling Division
- Tankhaul Division
- Warehouse Division

PROGRAMS AND SERVICES

Organizing

Organizing is the lifeblood of our union. It is essential that we build Teamster strength for workers by organizing and raising standards. The Organizing Department plays a critical role in building power and growing our union. It is an important resource that coordinates organizing activities, and assists and works with local unions, Joint Councils, trade divisions and conferences to establish organizing programs. It also recruits and trains volunteers and supports local campaigns and much more.

The key to our organizing successes can be found in following the disciplined Teamster Organizing Model, as well as empowering workers to build their own movement for change; building alliances with key allies; using politics to organize and more.

Every time an organizing campaign is under way, the collective efforts of the union are critical to our success. Thanks to the work of the Organizing Department and Teamster organizers throughout the United States and Canada, the Teamsters Union is now the premier organizing union.

There are 1.4 million Teamsters who have found a strong voice by building a union in their workplace with the Teamsters. Now, more than

ever, the strength of the Teamsters is organizing for power!

Political and Legislative Action

Teamster solidarity can bring about better working conditions on the job and Teamsters can work together to influence national and state government policies that impact working men and women. On behalf of the union, the Political and Legislative Action Department coordinates that activity by:

- Lobbying congress;
- Testifying before congressional committees and federal agencies;
- Engaging federal agencies;
- Activating union members to meet or communicate with elected officials; and
- Building political power.

The department also follows numerous issues through Congress that significantly impact Teamster members. From misclassification to outsourcing and from trade deals to right-to-work legislation, the union is constantly fighting for workers. The department protects members' jobs from unfair trade practices, secures



their health and safety in the workplace and defends them against legislative attacks that would weaken or erode their Fair Labor Standards Act (FLSA) protections or jeopardize their retirement security.

The department is responsible for mobilizing Teamster members and affiliates for collective action. With 1.4 million active members, Teamster members working together can be a powerful force for change.

A primary component of the department is raising funds into the DRIVE (Democrat, Republican, Independent Voter Education) political action committee. The DRIVE PAC is the union's main political fund that is used for advocating on behalf of all Teamster members to the U.S. Congress and to state legislative houses.

The department mobilizes Teamster members and affiliates around campaigns for national contracts, federal and state legislative campaigns, and federal, state and local political campaigns. This is achieved by energizing Teamster members to take direct action, as well as helping Teamster affiliates build their own member mobilization infrastructure. Field Representatives live and work in all regions of the United States, raising DRIVE money, electing Teamster candidates, educating Teamster members and building the union's political program.

Communications

The Communications Department works closely with International Union departments, divisions and affiliates to share information on union programs and goals to members, their families, retirees, allied organizations, public officials, the news media and the general public. The department also promotes Teamster concerns and campaigns to the news media and responds to media inquiries.

To communicate with Teamster members, the department produces the Teamster magazine, the Teamster Leader and the Teamster Nation podcast. It also keeps teamster.org updated and maintains numerous social media pages on Facebook, Instagram, Twitter and YouTube as well as many websites.

The Communications Department prepares print, web and audio-visual materials, and coordinates campaigns for Teamster members. The Communications Department does all this in an effort to keep our 1.4 million members informed about Teamster programs, their rights on the job and ways they can get involved.



Strategic Research and Campaigns

The Strategic Research and Campaigns Department develops innovative campaigns to help win justice and better treatment for workers. The department's primary mandate is to counter vicious and sophisticated anti-worker, anti-union campaigns by the management of national and multi-national companies.

The department works with trade divisions, the Organizing Department, local unions and Joint Councils to neutralize corporate opposition to priority organizing, first contract and key contract campaigns. Deploying teams of researchers and campaigners, the department is focused on core industries, employers and campaign targets, with the goal of developing and implementing innovative corporate leverage activities.

Another key objective of this department is to build strong alliances with unions around the globe who organize and bargain with common employers. Globalization creates new opportunities for international worker solidarity. The Teamsters seek common cause with workers around the world to build social justice for workers and the communities in which they live.

Our researchers and campaigners are also available to respond to the critical needs of local unions and Joint Councils, from lockouts to strikes and other urgent problems.

Training and Development

The Training and Development Department designs programs and materials to train Teamster officers, staff, stewards and members on areas of labor relations relative to their role in the union. The department works to encourage member involvement in securing better contracts, organizing new members, winning better laws and strengthening local unions.

The department sponsors the Teamsters Leadership Academy, which provides training on subjects such as bargaining, organizing, representation and various aspects of local union administration. The department also conducts educational programs for Joint Councils and local unions on the role of the steward, effective bargaining and building membership participation, among others.

The Teamsters History Project is part of the Training and Development Department. It includes the Teamsters History Book series, and collaborates with the Teamsters Labor History Research Center at The George Washington University which houses the Teamster archives.

Legal

The Teamsters Legal Department offers expert advice and assistance on a broad range of labor law issues. The union's experienced in-house legal staff is well versed on the laws and regulations affecting Teamster affiliates and members.

Each Teamster trade division and conference is assigned a staff attorney who is familiar with the issues and concerns of that division. The department also works closely with other departments to help the International Union and its locals win strong contracts.



Safety and Health

The Safety and Health Department is committed to protecting the health and well-being of members, their families and their communities from chemical, microbiological, and physical health and safety hazards. In addition, the department helps represent members' interests during collective bargaining and on regulatory matters in all aspects of the safety and health field. The department coordinates the union's safety and health programs. It provides technical advice and training to members, local officers and Joint Councils dealing with occupational safety and health and transportation safety problems.

Specifically, department staff can provide assistance on issues such as: workers' rights under OSHA and DOT; truck safety; chemical hazards and "right to know"; medical qualifications for drivers; drug testing; exposure monitoring and ventilation; and work-related injuries. The Teamsters provide safety and health training throughout the United States at no cost to the trainee. Teamster Training Centers conduct courses at their own facilities and can transport instructors and equipment to hold courses at hazardous waste sites, construction projects, company locations and union halls.

The department also administers a hazardous waste and hazardous materials handling training program conducted throughout the U.S., and can help locals set up safety and health committees and training programs.

Human Rights and Diversity Commission

An ever-evolving and always-growing organization, the Human Rights and Diversity Commission (HRDC) has led the way in ensuring the union taps into its most important resource: its members. Taking pride from the strength that

is drawn from diversity, the HRDC helps members promote and embrace the different physical and cultural qualities that make individuals unique. Its core purpose epitomizes the very heart of the labor movement—that together, we can achieve more. As the dynamics and demographics that make up union membership continue to change and evolve, the HRDC will lead the union to a bright and promising future.

Another strong focus of the HRDC has been and continues to be community service. Through outreach projects, the HRDC hopes to build strong, long-lasting partnerships with local communities to both spread the word about the union and establish resources.

Disaster Relief Fund

The Teamsters Disaster Relief Fund is a 501(c)3 charitable fund developed in 1991 to assist Teamster members who have suffered a loss from a disaster long after the media has forgotten. The fund receives donations from local unions and their members. Information on how to donate can be found at teamster.org/benefits/disaster-relief/.

The James R. Hoffa Memorial Scholarship Fund

In November 1999, the General Executive Board established the James R. Hoffa Memorial Scholarship Fund. As a 501(c)3 nonprofit, the fund raises money for scholarships for children and financial dependents of Teamsters. The fund was named after Teamsters General President Emeritus James R. Hoffa who believed that every son or daughter of a Teamster member should have access to a college education.

Academic awards in the amount of \$1,000 or \$10,000 are awarded to eligible high school seniors. Vocational/Training program awards are available ranging from \$500 to \$2,000. In 2020,

\$1.2 million in scholarships were awarded.

Applications for scholarships can be obtained by calling your local union or visiting www.jrhmsf.org.

Economics and Contracts

Created as part of the union's commitment to increasing membership, the Economics and Contracts Department serves the local affiliates and union's trade divisions and conferences as a key source of financial, statistical and agreement information.

With connection to the most powerful electronic databases available today, the department provides local affiliates and Teamster personnel with corporate research and economic trends for use in both collective bargaining and organizing. At its foundation, the department maintains the largest contract database of any union in North America—more than 250,000 current and expired Teamster labor agreements.

Membership Data and Analytics

The Membership Data and Analytics Department offers technology solutions to help our local affiliates use their resources more efficiently. The department tests and evaluates new and developing technology to provide recommendations and best practices for affiliates, from video conferencing software to versatile CRM and database programs to third-party integrations.

The department runs ALIFT, a program to assist locals in using their institutional data to more efficiently contact members, develop and file grievances, and other member engagement initiatives. The department partners with interested locals to develop a cloud-based database infrastructure that makes data (including select TITAN fields) accessible to officers and staff in the field for organizing efforts, servicing members, and other representational work.



DIVISIONS AND CONFERENCES



Airline Division

The Airline Division represents more than 80,000 airline employees including mechanics, customer service agents, reservationists, simulator technicians, ramp agents, stock clerks, dispatch personnel, flight attendants and pilots. The Airline Division of the Teamsters Union continues to negotiate some of the best contracts in the industry, making Teamster contracts and membership the best choice for airline industry employees.

As the only labor union that represents every craft of workers in the airline industry, the Airline Division has grown steadily since its first organizing drive in 1961 at Western Airlines.

Today, Teamster contracts in the Airline Division focus on raising airline industry standards, promoting safety, educating members, fighting outsourcing and securing the careers of our members. Furthermore, it is the goal of the Airline Division to ensure that maintenance facilities that service U.S. aircrafts are held to the same high standards maintained by U.S. airline facilities.

Bakery and Laundry Conference

The Bakery and Laundry Conference is the oldest conference within the Teamsters Union. It started in 1906 because bakery drivers were among the first groups organized by the Teamsters in an effort to expand their membership beyond team drivers. Not long after that, the union started

organizing laundry workers, which included a number of women seeking equality on the job.

Today, Teamsters in the Bakery and Laundry Conference are an integral part of the union, doing everything from cleaning medical scrubs to making Girl Scout Cookies.

From baked goods to linen supplies—and the delivery of both—the Bakery and Laundry Conference produces and delivers many of the products consumers rely on.

Brewery and Soft Drink Conference

The Brewery and Soft Drink Conference of the Teamsters Union brings together members employed in the brewing and soft drink industries, as well as allied industries such as fruit juices, liquor, bottled water and can manufacturing.

Responsibilities of the conference include: assistance in contract negotiations and organizing; implementation of national master agreements; administration of grievance panels; and coordination of legislative activity. A conference with a proud history, some locals in the conference date back to the 1800s.

Teamsters in the Brewery and Soft Drink Conference have contracts at such iconic brands as Coca-Cola, Anheuser-Busch, MillerCoors and more.

Building Material and Construction Trade Division

The Building Material and Construction Trade Division has a diverse membership, including rig-

gers, demolition workers, landscapers, pipeline construction workers, warehouse workers and building supply manufacturers. The division uses multi-trade organizing to defeat the adverse effects of union-busting organizations like temporary labor agencies and merit shop contractors.

Our training is our edge. Skilled Teamsters have a well-earned reputation for excelling on the job. In today's job market, training is more crucial than ever. Teamsters train CDL drivers for every aspect of a construction project. Our drivers are trained to operate equipment from redi-mix concrete and dump trucks to forklifts and even the buses that transport workers to and from a job site.

The division has negotiated industry-leading contracts and also formed strategic alliances with union brothers and sisters in other building trades. The Teamsters National Pipeline Agreement, which covers more than 4,500 workers nationwide in this growing industry, was ratified by a huge majority in 2020.

The division assists in the development and implementation of organizing campaigns in the construction and building material supply industries. It also provides assistance in the handling and resolution of construction jurisdictional disputes involving other international building trade unions, settling of grievances with contractors, as well as assistance in the negotiation of project agreements, maintenance agreements and pipeline work. Division staff provides Teamster construction local unions with information on forthcoming pre-jobs, project agreements, and pipeline work. The division is the union's representative for Helmets to Hardhats, a national program for placing veterans in building and construction jobs.

Carhaul Division

The Carhaul Division represents thousands of hard-working Teamsters across the United States and Canada. Workers in this industry safely transport loads of cars and trucks from one location to another.

Teamster Carhaulers have been doing this work under the National Master Automobile Transporters Agreement (NMATA) since the 1940s.

The Carhaul Division coordinates activities

and priorities with local and regional representatives. They negotiate and administer the NMATA, which applies to vehicle transport nationwide, and ensure that employers meet their commitments to Teamster-represented employees.

Convention, Trade Show and Casino Division

The Convention, Trade Show and Casino Division represents Teamsters who install trade shows and conventions, and those who work in hotels and casinos throughout North America.

The division helps locals organize and represent all employees who work in the industry throughout North America. The division also helps Teamsters acquire and maintain the technical abilities and high standards needed in these jobs.

This division can provide information and

assistance to Teamster locals to obtain higher wages and better benefit and working conditions through contract negotiations.

Dairy Conference

The Teamsters represent tens of thousands of dairy employees nationwide as members of the Dairy Conference. These employees are pas-

teurizers, cheesemakers, gallon filler operators, yogurt processors, maintenance workers, delivery and transport drivers, and more.

With unfair trade deals constantly threatening jobs in the dairy industry, the conference has taken an active role in advocating for fair trade. The Dairy Conference is always busy organizing and negotiating strong contracts in the industry.

The Dairy Conference also provides help to local unions with grievances, negotiations, company information and organizing, and offers a staff of regional representatives to assist with specific needs.

Express Division

The Express Division was created in 2008 to handle all matters relating to DHL Express (this includes DHL Independent Cartage Contractors or ICCs) and Air Express International (AEI, formerly known as Danzas).



The Express Division's regional chairs oversee implementation of the National Master DHL Express agreement and the AEI Master. In 2018, DHL Express Teamsters approved the National Master DHL Express agreement that provided wage and benefit increases and a strong cost-of-living adjustment clause. Due to the pandemic, Teamsters at AEI approved a one-year contract extension through December 21, 2021.

Food Processing

Tens of thousands of Teamsters across the continent are members of the union's growing Food Processing Division.

The division represents many classifications of worker, including production line workers, mechanics, forklift drivers, machine operators and more. They help prepare, process and move just about every kind of food you find at the grocery store, including meats, vegetables, fruits and grains.

Food Processing Teamsters make a huge difference in all our lives. These workers are trained to the highest standard to make certain that what we consume is completely safe.

The Food Processing Division also provides help to local unions with grievances, negotiations, company information and organizing, and offers a staff of regional representatives to assist with specific needs. The division was formed in

2003 with an emphasis on protecting vulnerable workers, organizing new members and strengthening contracts.

Freight Division

The Freight Division represents members in one of the Teamsters Union's core industries.

While deregulation and economic factors have challenged Teamster-represented companies, the Freight Division has worked hard to protect Teamster freight jobs.

Hundreds of locals and tens of thousands of Teamsters are part of the division, which represents truck drivers, dockworkers, mechanics, office personnel and many others.

Freight members work under the terms of the National Master Freight Agreement (NMFA) as well as other national, regional and local agreements, as well as supplemental agreements that cover specific geographic areas and/or job classifications. The NMFA is a monumental contract first signed in 1964 that provides solid, standardized protection and benefits to Teamsters in the Freight Division.

Every day, the Freight Division coordinates grievance panels, changes of operations, organizing and negotiations. They also review contracts based on standards and monitors economic conditions and regulatory activity.



Graphic Communications Conference

The Graphic Communications Conference (GCC) was created after the Graphic Communications International Union voted to join forces with the Teamsters in 2004. The GCC represents workers in all craft and skill areas in North America, including mailers, paper handlers, pre-press workers, press operators, bindery workers, and those in specialty and paper converting industries.

Many rely on the expert training and work ethic of GCC employees in order to produce quality printed products that are familiar in our everyday lives. Those products include newspapers, magazines, catalogs, books, high end commercial print, plastics for the food and medical industry, packaging including corrugated box and paper food containers, metal cans for food and industrial liquids, engraving and gravure for flooring and wallpaper, credit cards, and government employees who print U.S. and foreign currency, passports and secure IDs.

GCC Teamsters take special pride in the printing, binding and mailing of the Teamster magazine, published since 1903.

Health Care Division

In 2019, the Teamsters Union created the Health Care Division due to the unique needs and increased organizing of workers in that industry.

The Health Care Division represents more than 50,000 Teamster members who care for children, families, the elderly and veterans. These members are critical to our health care system, working in hospitals, nursing homes, wellness centers, the American Red Cross and more. Teamsters represent everyone from doctors and nurses to respiratory technicians, phlebotomists and emergency medical technicians. In fact, Teamsters have represented nurses since World War II.

Since the beginning of the pandemic, the Health Care Division has been busy watching out for the safety of health care professionals. The union made sure these front-line workers were given the tools to work safely.

Industrial Trades Division

The Industrial Trades Division is one of the largest in the union, representing a wide scope of jobs. The division covers workers at manufacturing plants, car rental companies, parking lots and many other types of employer.

With members in nearly every local union, the spectrum of what is done by the Industrial Trades Division is wider than any other within the



Teamsters. Workers in the division do everything from portray Disney characters at theme parks to manufacture the dry ice coronavirus vaccines are stored in.

Motion Picture and Theatrical Division

Teamster members are the backbone of film and theatrical production, driving the equipment, scouting the locations, casting the movies, serving as chauffeurs, catering the set and training the animals. These are the men and women of the Teamsters Motion Picture and Theatrical Trade Division.

The division represents workers in the motion picture and television industry across the country and in Canada, including firms that produce feature films, television programs, commercials and live theatrical productions.

The division promotes greater film production and, wherever the location, the usage of Teamsters to ensure that production transportation needs are met at the high standard of professionalism the division has set for the industry. From Hollywood to New York, Boston to Miami, Chicago to New Orleans and all points in between, Teamsters are integral members on every set.

Newspaper, Magazine and Electronic Media Conference

The Newspaper, Magazine and Electronic Media Conference brings together workers engaged in all phases of the printing process, from design to printing to delivery.

The conference represents Teamster members employed in the newspaper, printing and electronic media industries. Working with the Graphic Communications Conference, the conference negotiates multi-location agreements, protects jobs,



enforces contracts and improves safety standards for workers in the industry.

Package Division

The Package Division is the union's largest division, serving hundreds of thousands of members throughout North America, including at the largest employer in the Teamsters Union: UPS. The division is responsible for ensuring that management abides by the UPS and UPS Freight National Master Agreements.

The UPS contract, covering 250,000 Teamsters, is the largest private collective bargaining agreement in North America. In April 2019, that five-year contract took effect and became the richest UPS contract in history—worth \$14.5 billion.

The division represents UPS package car drivers, air drivers, feeder drivers, part-time loaders, unloaders, sorters, clerks and mechanics. It also represents thousands of UPS Freight drivers and dockworkers.

The division maintains an increasing number of staff charged with effectively serving UPS members throughout the United States.

Passenger Transportation Division

The Passenger Transportation Division was created in 2017. The Division represents drivers, monitors, aides, attendants, mechanics, dispatchers and other job classifications. These members drive school buses, shuttles, taxis and more.

The Teamsters Passenger Transportation Division represents the more than 60,000 workers in this industry that have signed union cards, fought for and gained recognition by their employers, and went on to negotiate and ratify industry-leading contracts—most of whom were doing so for the very first time.

The creation of the new division will help to direct needed resources to continue the fight to

raise safety standards, combat wage theft, push for better pay and benefits, protect job security and give workers a voice on the job. The division is raising standards in the industry, ensuring a job in passenger transportation is a pathway to middle-class prosperity.

Port Division

Ports in the United States, Canada and Puerto Rico are the economic engines of regional economies employing hundreds of thousands of workers. Ninety-five percent of the goods imported to our countries flow through our ports.

Teamsters in the Port Division do many jobs, including truck driving, warehousing, stevedoring, operating and repairing ferries and tugs, and building ships. The division is also committed to organizing the unorganized. Intermodal container drivers are the most exploited truck drivers and the union is working to secure good union contracts for these brothers and sisters.

The division works with environmental, public health, community, labor, faith-based and business organizations to advance policies that would clean the air and create good, green union jobs for truck drivers and their communities.

Public Services Division

The Public Services Division marshals the combined experience and knowledge of more than 200,000 Teamster members who provide the public with essential services.

As everyday heroes, public service Teamsters respond to life-threatening emergencies, clean our schools, provide security in public buildings, care for the elderly and veterans, maintain our roads, support our military and do countless other jobs. Teamsters work at city hall and in the court system, and protect citizens as police, deputy sheriffs, safety aides and corrections officers.

White collar, blue collar, technicians and

degreed professionals—Teamster public service members are an integral part of everyday life.

Rail Conference

More than 70,000 hardworking men and women employed on the nation's freight rail lines, commuter rail lines and Amtrak are represented by the Teamsters Rail Conference.

Locomotive engineers and trainmen are part of the Brotherhood of Locomotive Engineers and Trainmen (BLET) which merged with the Teamsters Union in 2004.

Maintenance of way workers who build and repair bridges, track, rail beds and buildings belong to the Brotherhood of Maintenance of Way Employees Division (BMWED) which merged with the Teamsters in 2005.

Together, members of the BLET and BMWED have built on the strength of their affiliation with the Teamsters Union to bargain strong contracts and continue fighting for good wages and benefits as well as improved safety conditions in the workplace.

Solid Waste and Recycling Division

The Solid Waste and Recycling Division currently represents tens of thousands of Teamsters across North America. The sanitation industry is increasingly concentrated in the hands of a few powerful corporations, but the division has developed strong networks among locals that pays off for workers in the form of strong contracts. No matter how big and powerful the employer, the division continues to organize and represent these proud workers.

This division is committed to developing a union-wide strategy to deal with the national waste companies and to work with local unions and the IBT to increase our bargaining power and member density.

The division is also working hard to boost recycling jobs and other good, green jobs in our changing economy—jobs that support our members and their families and jobs that protect the environment. For years, the division has said more recycling is good for the economy and the environment.

Tankhaul Division

Teamster tankhaulers make a big difference in all our lives, but most people are unaware of their contribution. Tankhaul drivers keep homes warm, fuel tanks full and life-sustaining oxygen flowing to people who need assistance breathing. The Tankhaul Division represents highly skilled drivers who transport essential liquids and gases all across the United States and Canada.

The division, with the assistance of regional representatives, assists local unions and members with contract negotiations, grievance processing, and resolution of disputes which may arise between the local unions and employers. The division has a staff attorney who is responsible for giving legal assistance which will enable the division to better serve its locals and members in the Tankhaul Division. The

activities of the Tankhaul Division are coordinated daily with the regional representatives.



Warehouse Division

The Warehouse Division represents Teamsters in warehousing, distribution and related industries. Workers in this division include lift truck operators, equipment operators, drivers and clerical employees. One of the division's largest contracts is with Costco, where Teamsters have given workers a contract and a strong voice for decades.

The Warehouse Division is one of the largest divisions in the union and its members play a key role in the national and global supply chain. Whether they work in the grocery, cold-food storage or merchandising industries, the jobs of Warehouse Division Teamsters are critical to the nation's economy.

The Warehouse Division has led the way in securing and increasing industry standards through strong contracts and careful analysis of production standards and systems. The division is instrumental in assisting local unions with conducting production standards reports and time studies, building successful strategies to better deal with production standards and systems, administering grievance panels and coordinating legislative activity.

REPORT OF THE GENERAL SECRETARY-TREASURER



I want to welcome the delegates and alternate delegates to the 30th Convention of the International Brotherhood of Teamsters—the greatest union in the history of the labor movement!

I am proud to say our union is in a much better financial position than when the Hoffa administration first took office in March 1999, when the International Union reported net assets of \$8.6 million. First under General Secretary-Treasurer Tom Keegel, and then under my stewardship since 2011, this position is responsible for managing the union's budget, its investments and other funds.

At the last Convention, it was reported that the International Union had net assets of \$253.7 million. In the last five years, net assets have gone to \$475.9 million.

The Office of the General Secretary-Treasurer takes seriously its responsibility to be good stewards over the financial operations of the International Union. In that regard, sound internal accounting controls are continually being reviewed to ensure the assets of the International Union are used to strengthen the collective bargaining process while having those funds necessary to conduct organizing activities to increase the membership base.

In conjunction with the Office of the General

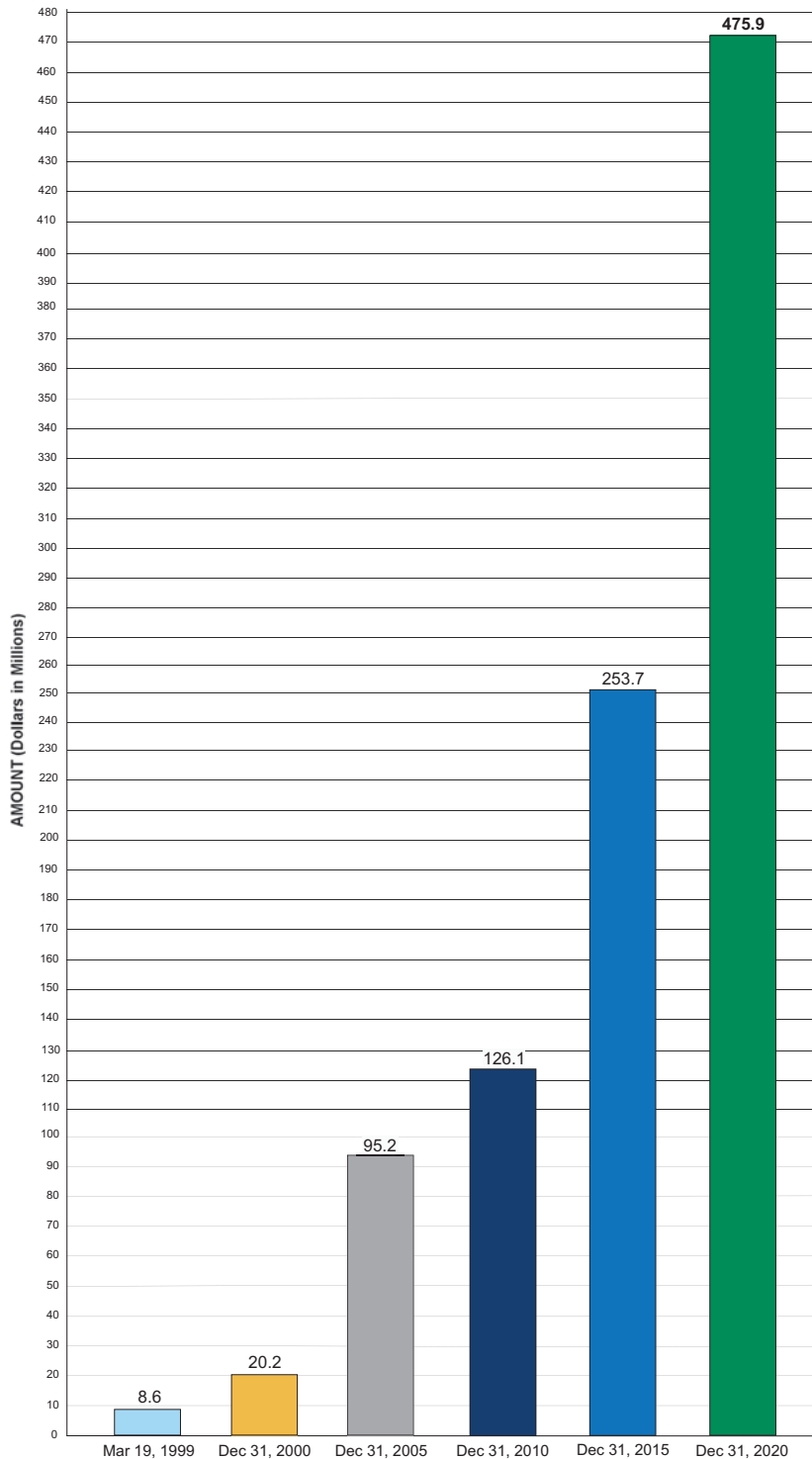
President and the Finance Committee, the Office of the General Secretary-Treasurer continually administers and reviews the budget process. Each International Union department, trade division and trade conference is obligated to submit a budget which is closely monitored to ensure the assets of the International Union are utilized in the best interests of the membership.

A strong International Union is one that services its membership by providing the necessary resources to its affiliates to properly administer and defend the collective bargaining process while also assisting in organizing activities. I firmly believe that we have accomplished that mission through a restoration of our financial strength.

I am proud of the accomplishments of the General Secretary-Treasurer's Office since our last Convention. However, we all must remain vigilant regarding the union's finances. Financial controls are more important now than ever.

Today's economic and political forces are aligned to undermine Teamsters' jobs, hard-fought industry standards and retirement security. Fortunately, with the election of President Biden, we have a strong ally who supports hard-working Americans, proved by his signing of the \$1.9-trillion American Rescue Plan (ARP) into law, bringing relief to more than 200 multiemployer

NET ASSETS



pension plans.

Corporate consolidations, globalization and a worldwide pandemic have forever changed the landscape for working families. As always, it's another story entirely for big business. Corporate boards of directors were still lavishing top executives with obscenely rich compensation packages—some while cutting workers' hours due to the pandemic.

Capital Strategies

The Teamsters don't just represent members on the shop floor and at the bargaining table. We fight to protect the interests of our members, our union and our affiliated funds in corporate board rooms here and abroad. As shareholders demanding greater board accountability and financial transparency, Teamsters have changed corporate behavior, priorities and performance.

Importantly, the Capital Strategies Department also works with Teamster fund trustees to hold our investment managers and providers accountable to us for their proxy votes and their political expenditures, not just to political candidates, but to trade associations and advocacy groups.

We want to ensure that Teamster money is not investing in the attack on Teamster jobs or retirement security but rather supporting the long-term interests of our members, our union and our funds.

Investing in Teamster Jobs

By making Teamster money work for Teamster members, we have helped workers organize and win strong contracts. With over \$100 billion in assets invested across the capital markets—in public and private equities, real estate and infrastructure—we have demanded more for our money.

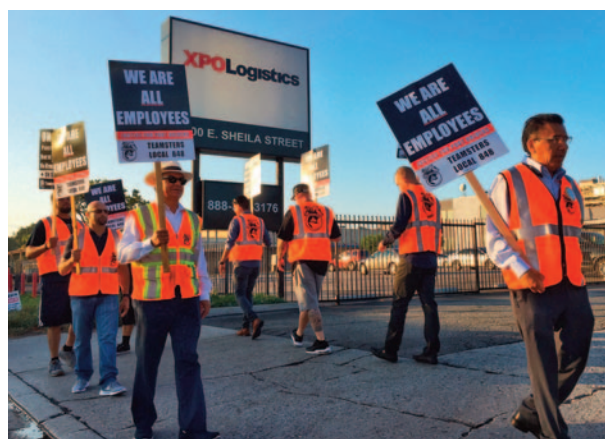
For instance, when management at the Hard Rock and Cosmopolitan Hotels in Las Vegas tried to block workers from joining the Teamsters and dragged out first contract negotiations for years, the Teamsters Capital Strategies team called on Teamster Trustees from coast to coast to demand that the hotel owners—Brookfield and Blackstone, two of the world's largest real estate firms that rely on Teamster pension investments—intervene. When they did, Teamsters secured card-check neutrality for the workers.

Parking valets at the Hard Rock Hotel's contract meant \$2 per hour wage increases, a Western Conference of Teamster pension, and employer paid health care for the life of their contract.

Similarly, together with the Building Trades, the department secured Responsible Contractor Policies with pension fund investors as well as with large infrastructure and real estate investment managers which helped us create thousands of union pipeline, building and construction jobs.

Executive Pay Soars Amid Pandemic Even as Frontline Workers Struggle—Teamsters Vote NO

In the aftermath of a global pandemic that saw record job losses and worker deaths, corporate executives and shareholders have reaped record rewards. Teamsters, through our Capital Strategies Department, have pushed back, mobilizing shareholders to demand accountability at companies that put profits over people.





In May 2020, nurses and other overwhelmed frontline workers at Tenet Healthcare hospitals sounded the alarm about understaffing and lack of adequate Personal Protective Equipment. Teamsters led the first NO vote on executive pay amid the pandemic—calling out the more than \$24 million in compensation awarded to the CEO in 2019. With Tenet’s CEO-to-average-worker pay ratio at 452:1, CEO Rittenmeyer’s pay was particularly insulting given Tenet’s decision to furlough 1-percent of its work force without pay, and also to pursue a \$450 million cost cutting initiative.

Marathon Petroleum, which lost 38 percent of total revenue during the pandemic, granted its outgoing chairman and CEO a \$6-million restricted stock award six weeks after he had retired as CEO and a day before he stepped down as chair. In a historic vote, Teamsters defeated the company’s executive pay plan in 2021 by 70 percent, the highest no-vote on executive pay at any S&P 500 energy company ever. The vote came amid mounting safety concerns at Marathon’s St. Paul Park, Minn. refinery where the company locked out nearly 200 Teamsters, and news that the company received \$2.1 billion in pandemic-related tax relief even as it had planned to lay off 12 percent of its work force.

Teamsters also led a successful vote against XPO’s executive pay plan in 2021 after the company’s CEO and founder Bradley Jacobs was granted a new long-term award worth up to \$80 million. XPO workers experienced tremendous hardship during the pandemic, with some furloughed and others working in dangerous conditions. Despite millions provided to XPO in government relief, it was the company’s CEO, not frontline workers, who benefited the most.

Teamsters, working with state treasurers and a coalition of union, public and faith-based funds, engaged companies like CVS and Republic



Servics about workers’ health and safety during the pandemic. With more than 270 confirmed cases of COVID-19 among Teamsters working at a CVS distribution center in Southern California, Teamsters took our concerns directly to the chairman of the board demanding improved protections for frontline workers.

Shining the Light on Corporate Dark Money

Ever since the Supreme Court’s Citizen’s United decision, corporations have been funneling undisclosed sums of money through front groups to lobby against the interests of our union, our members and our funds. That is why Teamsters are fighting for transparency and accountability of corporate political and lobbying activities.

One of the worst offenders, Tyson Foods, led industry lobbying efforts during the pandemic to secure a broad declaration by the Trump administration that the slaughtering and processing of beef, chicken and pork was “a critical infrastructure” allowing the companies to continue operating despite widespread COVID-19 outbreaks. More than 12,000 Tyson Foods workers contracted COVID-19 and 38 died from the virus, according to the Congressional Select Subcommittee on the Coronavirus Crisis (SSCC). A proposal by the Teamsters urging full disclosure of Tyson’s lobbying efforts won more than 80 percent support by the company’s outside shareholders. The country’s largest institutional investors joined the Teamster’s call for transparency and accountability.

Teamsters have also led high-profile shareholder campaigns calling for lobbying transparency and oversight at ride-share companies Uber and Lyft, which continue to pump tens, if not hundreds of millions of dollars to prop up their controversial business model that has yet to be profitable and many believe is unsustainable.



Together with other so-called “gig” companies, Uber and Lyft spent an unprecedented \$200 million to pass Proposition 22 in California—the most expensive ballot initiative in U.S. history—to exempt themselves from a state law that would require they provide their drivers basic protections afforded other workers employed in the state.

At Amazon, Teamsters are raising awareness among shareholders about potential investment risks created by poor corporate governance and problematic workplace issues. In 2020, during the height of the pandemic, Teamsters and United Food & Commercial Workers hosted a webinar for Democratic state treasurers on how Amazon’s safety and health concerns were creating huge risks for workers, communities and investors. Though Amazon blocked a Teamsters’ shareholder proposal calling for disclosure of workplace accidents from going to a vote, the company did not prevent the Teamsters’ demand from receiving national media attention.

This year, Teamsters have partnered with concerned investors demanding full disclosure of the

company’s lobbying activity. By funneling money through third-party organizations, Amazon has funded political and legislative activity that does not align with Amazon’s publicly stated positions on climate change or labor relations.



Amazon shareholders are demanding greater transparency and accountability on a variety of important issues that have created reputational and financial risks for the company, including: racial and gender equity, civil rights, workplace rights, political accountability and environmental impacts.

Leading the Fight for Opioid and Accountability Across Pharmaceutical Industry

At the 2016 Convention, Teamsters across our union shared personal stories of how their families suffered from the scourge of the opioid epidemic. The Teamsters Union made a decision then to take on the “big three” wholesale drug distributors—McKesson, AmerisourceBergen and Cardinal Health—for their role in flooding our communities with an oversupply of prescription pain pills.

Together these companies account for more than 85 percent of all drug distribution in this country.

West Virginia, which suffered the highest opioid overdose death rate in the country, received 780 million hydrocodone and oxycodone pills in just six years—enough to supply 433 pills for every man, woman and child. In just two years, 9 million doses of hydrocodone were supplied to one pharmacy in West Virginia in a town of less than 400 people.

The business practices of these companies not only contributed to the hundreds of thousands of lives lost to this epidemic, they exposed the companies to significant legal, reputational and political risks. The companies each face thousands of lawsuits that will cost the companies billions.

It should be noted that through our campaign for accountability, Teamsters managed to secure the resignations of the chairmen and CEOs of both McKesson and Cardinal Health, and ultimately the separation of the roles of chairman and CEO at all three distributors. The Teamsters defeated executive pay at McKesson—leading the first ever no-vote at a company tied to its role in the opioid crisis.

These companies have also (as Teamsters demanded) conducted independent board reviews of their opioid distribution practices and adopted reforms to strengthen internal controls and compliance.

We are a long way from solving the opioid crisis but the momentum that was built around

the issue has led to concrete reforms and launched the formation of Investors for Opioid and Pharmaceutical Accountability (IOPA)—a coalition of investors representing more than \$4.2 trillion in invested assets. Together with the coalition, the Teamsters Union has expanded the campaign for accountability to also include drug manufacturers and retailers.

Now in its fifth year, the IOPA Coalition has broadened its focus to address additional concerns across the pharmaceutical industry, including drug pricing, anti-competitive practices, and protecting the health and safety of frontline workers who have provided essential services throughout the pandemic.

A Global Approach

In today's global economy where multi-national employers and investors seem to know no boundaries, our capital strategies approach has also gone global.

Whether engaging union pension fund trustees in South Africa about the role Orbis, a South African asset manager, had played in propping up XPO's anti-worker business strategy; or mobilizing investors to protect the worker-friendly corporate culture of Danone, a Teamster employer based in France, Teamsters leave no stone unturned.

Teamsters, together with unions worldwide, have established the Committee on Workers' Capital, which brings together union trustees from around the world to work on investor initiatives to protect workers' rights.



Bringing a Teamster Perspective to Wall Street

When it comes to operational expertise across Teamster core industries, nobody knows more than Teamster members and elected leaders. Teamsters have a unique, frontline perspective about companies—how they operate, the markets in which they compete, their customers and their management teams.

The union hosted calls, webinars and meetings for Wall Street analysts and large institutional investors to provide a frontline Teamster perspective on important issues such as: the impact of distribution changes by Coca-Cola's California bottling company; the dangers of locking out hundreds of experienced refinery workers in Minnesota; and the potential anticompetitive effects of the mega beer merger or Marathon Petroleum's sale of its Speedway stations to 7-Eleven's parent.

Misclassification: An Investor Risk

Though many institutional investors (like Teamster affiliated pension funds) are patient, long-term investors looking for sustainable growth and steady returns over the long term, companies have responded to Wall Street pressure to shed costs from their balance sheets any way they can. The more an executive cuts costs, the more he or she is likely to be rewarded.

The practice is not new. Many leading companies across Teamster industries have outsourced core and non-core business functions to inde-



pendent contractors as a way to shift the financial and operational risks onto individual workers. The Teamsters have seen it in trucking, port drayage, construction, food and beverage delivery, and elsewhere. By relying on vast networks of individual contractors, companies can reduce operational expenses, saving not only on wages, benefits, paid time off, workers' compensation, payroll taxes, etc., but also on operational costs such as leasing, insuring and maintaining vehicles. It is not surprising that investors have been all-in on the strategy.

The Teamsters Union's Capital Strategies Department has worked to reframe the message, engaging investors worldwide on the hidden costs and risks to a company's supply chain or its business model from relying on so-called independent contractors as the business model itself has come under increased scrutiny in the U.S. and abroad.





Take the port industry for example. The independent contractor business model in that industry has been around since deregulation. However, as Berkeley's Labor Center noted in a study of misclassification in California, port drivers filed more than 1,000 complaints for wage theft violations related to misclassification in just eight years, to which the California Division of Labor Standards and Enforcement determined that more than \$50 million in wages was owed drivers. The National Employment Law Project estimates that the port trucking industry was liable for close to \$1 billion in wage and hour violations each year.

In addition, California state law can now extend financial liability for unpaid judgements beyond the trucking companies to their customers, including the country's largest importers—retailers like Home Depot, Lowes, Target and others—who continue to rely on companies that misclassify their drivers.

Now, with the passage of AB 5, a California law passed in 2019 will require most companies (with the exception of some, such as gig companies, exempted by Prop 22) to reclassify so-called independent contractors as employees, companies are scrambling to figure out their Plan B. Even companies like Uber and Lyft, that have exempted

themselves from AB 5, are continuing to face mounting risks in the U.S. and other countries focused on addressing worker misclassification.

Companies always talk about their work force as their most valuable asset. It is important that investors appreciate the importance of treating workers as an asset and not just as a cost center. Investing in the health and safety of workers pays off over the long term by creating a more stable, loyal and professional workforce.

Strongest Union

In the last five years we have maintained our place as the nation's strongest labor union. But we can, and we will do more to make sure that with a clear vision, effective action and solidarity, the next generation of Teamsters will inherit an even stronger union.

Five years ago, we pledged to move forward together. And we have done that, even through the most difficult times. Our locals and Joint Councils are stronger than ever to organize and maintain good Teamster jobs. We have remained financially strong in the wake of a worldwide pandemic. We have more clout with our lawmakers on the local and federal levels.

But we cannot rest on these successes. We want to be even stronger than we are. We will need the help and support of all our members to achieve this.

I have been a Teamster for 45 years now and I am incredibly proud of the work our members do.

I am just as proud of the work you, as delegates, have committed yourself to doing at our Convention. You are the ones who will determine the course we take as we move ahead.

It has been an honor and a privilege to have had the opportunity to serve with you and help lead this great union as its General Secretary-Treasurer.



GENERAL SECRETARY-TREASURER'S PROGRAMS AND SERVICES



Accounting and Budget Department

The Accounting and Budget Department is responsible for originating, analyzing, interpreting, and supplying accurate and reliable financial information. The financial information includes the following:

- Consolidated General (International Brotherhood of Teamsters, and Teamsters National Headquarters Building Corporation) and the Strike and Defense Fund financial statements for presentation by the General Secretary- Treasurer to the General Executive Board on a quarterly basis, as well as financial statements for related organizations.
- All Governmental Tax and Information Returns for all funds (i.e., LM-2, 990, etc.).
- Financial records for the DRIVE political action committee.

The department also administers the International Union's insurance policies and oversees and processes all financial transactions relating to the worker Health and Safety Training Grant from the National Institute of Environmental Health and other government grants.

The Accounting and Budget Department is comprised of these basic sections: General Ledger, Budget, and Reporting; Accounts Payable; Travel Expense and Payroll.

The General Ledger, Budget, and Reporting

section is responsible for maintaining the general ledger, budget information, and preparing accounting reports and analyses.

Accounts Payable is primarily concerned with processing vendor invoices.

The Travel Expense section audits and processes travel expense reports.

Payroll is responsible for payroll disbursements along with related tax and informational reports.

Michael Caputy, Director
mcaputy@teamster.org
Phone (202) 624-6817
Fax (202) 624-8108

Affiliate Bookkeeping Systems Department

The Affiliate Bookkeeping Systems

Department services our affiliates through maintaining and updating bookkeeping systems as prescribed by the International Constitution. The current mandated bookkeeping systems are TITAN (Teamsters Information Terminal Accounting Network) which is a membership dues accounting and recordkeeping network that allows local unions to accurately post membership dues and maintain membership records on members. The TITAN system is currently installed and operational in approximately 98 percent of Teamster affiliates.

The Affiliate Bookkeeping System Department

also updates and maintains the computerized bookkeeping systems and they are the Computerized Bookkeeping Systems (CBS) along with a version of QuickBooks modified to be used by labor unions. The computerized bookkeeping systems eliminate the required manual entries necessary to complete the cash receipts and cash disbursement functions of the required bookkeeping system for our affiliated local unions and Joint Councils. The systems also provide the option of producing checks, which further reduces the time necessary to complete monthly and annual financial reports.

Assigned to the Affiliate Bookkeeping Systems Department is a staff of TITAN Field Representatives who are regularly dispatched to our affiliates for the purpose of training office personnel on the TITAN system, Computerized Bookkeeping System, QuickBooks and, if applicable, the Manual Bookkeeping System, as well as a staff of TITAN Procedural Coordinators that are experienced and proficient in all bookkeeping systems available and can be reached at (800) 424-5132. The department also assists in compiling mailing lists applicable to Master Agreements and in mailings to members and affiliates.

Pamela Turner, Director
pturner@teamster.org
Phone (202) 624-6876
Fax (202) 624-6849

Affiliates and Automated Records Department

The Affiliates and Automated Records Department records all per capita tax payments and other receipts applicable to the International Union.



The department communicates regularly with our affiliates on matters such as issuance of new charters, processing revised charter applications, mailing lists, procurement of all seals, surety bond coverage for affiliates, and group exemption with the IRS. With the Office of the General Secretary-Treasurer, the department is also involved in requested waivers of dues and fees as required by the International Constitution.

The department comprises three sections:

- General Secretary-Treasurer Files and General President Files: Maintains all records in accordance with records retention requirements.
- Per Capita Tax/Supplies: Audits local unions' Monthly Remittance Statements and accompanying per capita tax payments. Coordinates requests for supplies from the Supplies Order Form. Maintains membership information.
- Report and Roster: Maintains mailing lists for the Teamster magazine, and coordinates affiliates' requests for mailing lists for their publications. Maintenance of Official Election Report Forms and publication of the Roster of Affiliates.

Debbie Sloskey, Director
dsloskey@teamster.org
Phone (202) 624-6966
Fax (202) 624-8110

Benefits

The Benefits Department was created in 2001 to meet the needs of the International Brotherhood

of Teamsters in the bargaining and administration of benefit plans. The director reports to the Office of the General Secretary-Treasurer on matters concerning benefits bargaining, multi-employer funds, internal benefit plans, voluntary benefit programs and the National Reciprocal Agreement. The Benefits Department is responsible for carrying out the policies as established by the Health and Welfare Benefits Administrative Committee, the National Reciprocal Agreement Committee and the Pension and Benefits Committee.

The director and staff support local and national collective bargaining by responding to information requests and providing reports, benefits analysis, benefits communications and benefits comparisons for the union and its affiliates.

Responses to various benefit inquiries from members, plan sponsors and local unions are coordinated through the Benefits Department. Additionally, this department provides policy and legislative analysis related to Teamster multi-employer and single-employer health and welfare and pension plans.

John Slatery, Director
jslatery@teamster.org

Hemant Berry, Assistant Director
hberry@teamster.org
(202) 624-6838 • (202) 624-8138

Capital Strategies Department

The Capital Strategies Department works to build Teamster power in the capital markets.

With roughly \$100 billion invested in equity assets, Teamsters are working to reform how corporate America does business—ensuring that Teamster money works for Teamster members.

By demanding responsible corporate behavior Teamsters are encouraging better corporate performance over the long-term, and greater opportunities for workers to have a voice on the job to secure fair wages, benefits and working conditions.

Carin Zelenko, Director
czelenko@teamster.org

Louis Malizia, Assistant Director
lmalizia@teamster.org
(202) 624-8100 • (202) 624-6833

DRIVE Accounting Department

The DRIVE Accounting Department is responsible for activities regarding National DRIVE, the political action committee of the International Brotherhood Teamsters. National DRIVE is a separate segregated fund registered with the Federal Election Commission (FEC).

The DRIVE Accounting Department processes the Voluntary Authorization Cards to allow for Teamster membership participation in National DRIVE. The department is responsible for the registration and compliance with the FEC and state campaign finance regulations.

Teamster membership contributions to DRIVE are processed through payroll deduction and the DRIVE Accounting Department is responsible for the collection and recordkeeping of all receipts received. All candidate and committee contributions are processed through the DRIVE Accounting Department.

The DRIVE Accounting Department fulfills requests for DRIVE information from Teamster local unions, Joint Councils, trade divisions and conferences, and the General Executive Board.





Deanna Bennett, Director
dbennett@teamster.org

Buddy Gormley, Assistant Director
bgormley@teamster.org

Phone (202) 624-6821
Fax (202) 624-8796

Information Systems Department

The Information Systems Department services the data processing requirements of the International Union headquarters and our affiliates.

Applications at the International Union headquarters include, among other things, DRIVE accounting, implementation and support of the International Union's accounting functions, development of a new accounting package for the Teamster Affiliate Pension Plan, implementation of a new payroll system, contract retrieval system, and other strategic applications.

This department presently processes the mailing lists for the International Union magazine and other mailings as required through interaction with the TITAN database.

Information Systems also provides the source for the mailing lists applicable to the United Parcel Service Master Agreement, National Master Freight Agreement and the National Master Automobile Transporters Agreement.

David Martin, Director
dmartin@teamster.org

Kristian Gaj, Assistant Director
kgaj@teamster.org

Phone (202) 624-7480
Fax (202) 624-6849



International Auditors

As required by the International Union Constitution, there is a staff of International Auditors assigned to the Office of the General Secretary-Treasurer. The primary purpose of the International Auditors is to perform procedural and compliance audits of our affiliates. In addition, they provide services to our affiliates in understanding our required bookkeeping systems: TITAN—Computerized Bookkeeping System—Manual Bookkeeping System.

Anthony Mathis, Executive Assistant to
the General Secretary-Treasurer
Phone (202) 624-6840
Fax (202) 624-8110

International Audits and Affiliates Financial Reports Department

This department reviews, for content and accuracy, the Trustees' reports which must be submitted to the Office of the General Secretary-Treasurer as required by the International Union Constitution. It also reviews the annual reports submitted by our affiliates which include certified public accountant/chartered accountant reports, labor-management reports and Internal Revenue Service filings. In addition, this department prepares the International audits sent to the International auditors in the field. Once completed, the audits are reviewed and the department communicates with the local union on issues noted.

Anthony Mathis, Executive Assistant to the
General Secretary-Treasurer
Phone (202) 624-6840
Fax (202) 624-8110



Investments and Pension Administration

The Investments and Pension Administration is responsible for carrying out the policies established by the Finance Committee and Trustees for the General Fund, the Strike and Defense Fund, the Retirement and Family Protection Plan, and the Teamster Affiliates Pension Plan.

The Investments and Pension Administration is primarily involved with investment accounting and cash and investment management functions. The director provides reports to the Finance Committee and the Trustees on a regular basis. The department also serves as the administrative office for the Teamster Affiliates Pension Plan and the Retirement and Family Protection Plan.

Patricia Cole, Director
 pcole@teamster.org
 (202) 624-6981 • (202) 624-8797

Out-of-Work Benefits

The Out-of-Work Benefit Department administers the processing and payment of out-of-work benefits to Teamsters who are engaged in action to obtain recognition, protect wages and benefits, enforce collective bargaining agreements or who have been locked out by their employers. Out-of-work benefits are funded through the Strike and Defense Fund, which was established by the 26th International Convention, June 25-29, 2001, as amended by the Special Convention, April 30, 2002. Article XII of the International Constitution sets forth the requirements for the payment of out-of-work benefits.

Louis Blyden, Director
 lblyden2@teamster.org
 Phone: (202) 624-6828
 Fax: (202) 624-6897

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA
General President

25 Louisiana Avenue, NW
Washington, DC 20001



KEN HALL
General Secretary-Treasurer

202.624.6800
www.teamster.org

May 25, 2021

To the Officers and Delegates to the
30th Convention of the
International Brotherhood of Teamsters

In accordance with Article VIII, Section 1 and 2 of the International Constitution, we report to you that the Trustees (Audit Committee) have reviewed the accounting records of the International Union on a quarterly basis for each quarter during the period of January 1, 2016 to December 31, 2020.

As part of each quarterly review, the Audit Committee met with senior members of the General President's Office and General Secretary-Treasurer's Office responsible for the operational and financial operations of the International Union, the Union's Director of Internal Audit, the Union's General Counsel and the Union's independent auditors. The Committee's chairman and the Director of Internal Audit established the Committee's agenda. The Committee had private sessions with the Director of Internal Audit, at which candid discussions of financial management, accounting, and internal control issues took place. As required by Article VIII, the Committee reported its findings quarterly to the General Executive Board.

In the Committee's opinion, the International Union's accounting records have been maintained accurately and in a manner that recognizes the fiduciary responsibilities of the General Secretary-Treasurer and the General Executive Board. We certify the accompanying financial statements are true and correct copies of the financial statements on which the Union's independent auditors have provided an unqualified opinion for the period beginning January 1, 2016 and ending December 31, 2020.

A handwritten signature in black ink, appearing to read "Larry Beebe".

Larry Beebe
Accounting
Professional

A handwritten signature in black ink, appearing to read "Jim Kabell".

Jim Kabell
International
Trustee

A handwritten signature in black ink, appearing to read "Kevin D. Moore".

Kevin Moore
International
Trustee

A handwritten signature in black ink, appearing to read "D. R. Taylor".

Denis Taylor
International
Trustee

INTERNATIONAL BROTHERHOOD OF **TEAMSTERS**



Consolidated Financial Statements

FIVE YEARS ENDED DECEMBER 31, 2020 AND 2015

CONTENTS

Report of Independent Auditors

Consolidated Statements of Financial Position

Consolidated Statements of Activities

Consolidated Statements of Cash Flows

Notes to Consolidated Financial Statements



INDEPENDENT AUDITOR'S REPORT

Members of the General Executive Board of the
International Brotherhood of Teamsters

We have audited the accompanying consolidated financial statements of the International Brotherhood of Teamsters (the International Union), which comprise the consolidated statements of financial position as of December 31, 2020 and 2015, and the related consolidated statements of activities and cash flows for the periods January 1, 2016 through December 31, 2020 and January 1, 2011 through December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to consolidated financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the International Union's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the International Union's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the International Brotherhood of Teamsters as of December 31, 2020 and 2015, and the changes in its net assets and cash flows for the periods January 1, 2016 through December 31, 2020 and January 1, 2011 through December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the International Brotherhood of Teamsters internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the International Brotherhood of Teamsters' internal control over financial reporting and compliance.

Bala Cynwyd, Pennsylvania
May 12, 2021

BOSTON | 33 Harrison Avenue, Suite 500 | Boston, MA 02111 | 617.500.6578
CONNECTICUT | 255 Route 80, PO Box 698 | Killingworth, CT 06419 | 860.663.1190
NEW YORK | 450 Seventh Avenue, 28th Floor | New York, New York 10123 | 212.279.4262
PHILADELPHIA | One Presidential Blvd, Suite 330 | Bala Cynwyd, PA 19004 | 610.668.9400
WASHINGTON, DC | 7226 Lee DeForest Drive, Ste 201 | Columbia, MD 21046 | 443.832.4009

	December 31, 2020	December 31, 2015
ASSETS		
Cash and cash equivalents	\$ 48,906,624	\$ 50,922,137
Receivables, net		
Trade	21,221,439	17,167,127
Grants and contributions	342,312	423,474
Accrued investment income	2,918	2,926
Due from/(to) related entities	279,912	370,627
Other	232,940	333,695
Investments	355,471,573	191,691,444
Loan to related entity	3,000,000	-
Inventories	357,790	366,517
Prepaid expenses	718,490	816,177
Security deposits and other	549,183	412,701
Property and equipment, net	37,946,062	35,939,719
Postretirement benefit asset	32,663,076	-
Total assets	<u>\$ 501,692,319</u>	<u>\$ 298,446,544</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 24,759,849	\$ 27,176,951
Unexpended scholarship awards	-	353,000
Accrued pension costs	-	16,536,321
Accrued postretirement benefits cost	1,003,058	721,304
Total liabilities	<u>25,762,907</u>	<u>44,787,576</u>
NET ASSETS		
Without donor restrictions	475,088,659	236,428,267
With donor restrictions	840,753	17,230,701
Total net assets	<u>475,929,412</u>	<u>253,658,968</u>
Total liabilities and net assets	<u>\$ 501,692,319</u>	<u>\$ 298,446,544</u>

See accompanying notes to consolidated financial statements.

	Five Years Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Per capita and initiation fees	\$ 926,747,230	-	\$ 926,747,230
Grants and contributions	17,812,793	2,529,298	20,342,091
Special fund raising events	-	732,710	732,710
Field action	-	-	-
Affinity program	15,559,805	-	15,559,805
Investment income, net	96,027,725	2,319,772	98,347,497
Sales of supplies, net	165,108	-	165,108
Loss on disposal of property and equipment	(7,911)	-	(7,911)
Other	2,395,696	83,047	2,478,743
Net assets released from restrictions	547,387	(547,387)	-
Total revenue	1,059,247,833	5,117,440	1,064,365,273
EXPENSES			
Program services			
Member services			
Communications, magazine and public relations	50,200,199	-	50,200,199
Financial assistance to affiliates	455,876	-	455,876
Industry trade division and relations	177,357,843	-	177,357,843
Strike and defense	55,861,846	-	55,861,846
Research, education and training	83,163,738	-	83,163,738
Retiree relations, scholarships and other	545,182	2,485,285	3,030,467
Organizing	98,823,029	-	98,823,029
Other	52,604,640	984,326	53,588,966
Affiliation fees	54,680,183	-	54,680,183
Government affairs	59,386,279	-	59,386,279
Legal and litigation	28,509,453	-	28,509,453
Civil RICO	39,499,698	-	39,499,698
Teamsters Affiliates Pension Fund	64,500,004	-	64,500,004
Teamsters Archive Endowment Fund	-	-	-
Convention	7,694,194	-	7,694,194
Total program services expenses	773,282,164	3,469,611	776,751,775
Supporting services			
Administration and governance	44,992,146	118,031	45,110,177
Fund raising	-	241,143	241,143
Total expenses	818,274,310	3,828,785	822,103,095
CHANGE IN NET ASSETS BEFORE DECONSOLIDATION	240,973,523	1,288,655	242,262,178
DECONSOLIDATION OF ENTITY, HOFFA SCHOLARSHIP FUND	-	(17,678,603)	(17,678,603)
CHANGES IN NET ASSETS	240,973,523	(16,389,948)	224,583,575
NET ASSETS			
Beginning of period	236,428,267	17,230,701	253,658,968
Other pension and postretirement adjustments	(2,313,131)	-	(2,313,131)
End of period	\$ 475,088,659	\$ 840,753	\$ 475,929,412

See accompanying notes to consolidated financial statements.

	Five Years Ended December 31, 2015		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Per capita and initiation fees	\$ 827,163,348	-	\$ 827,163,348
Grants and contributions	17,567,200	5,982,049	23,549,249
Special fund raising events	-	7,077,224	7,077,224
Field action	-	2,040,944	2,040,944
Affinity program	15,449,143	-	15,449,143
Investment income, net	20,832,055	2,256,391	23,088,446
Sales of supplies, net	217,449	-	217,449
Loss on disposal of property and equipment	(127,297)	-	(127,297)
Other	512,868	115,920	628,788
Net assets released from restrictions	2,163,729	(2,163,729)	-
Total revenue	883,778,495	15,308,799	899,087,294
EXPENSES			
Program services			
Member services			
Communications, magazine and public relations	50,758,934	-	50,758,934
Financial assistance to affiliates	1,452,559	-	1,452,559
Industry trade division and relations	161,749,966	-	161,749,966
Strike and defense	70,341,309	-	70,341,309
Research, education and training	71,844,522	-	71,844,522
Retiree relations, scholarships and other	1,128,353	3,501,513	4,629,866
Organizing	98,769,246	-	98,769,246
Other	45,934,556	327,750	46,262,306
Affiliation fees	57,413,088	-	57,413,088
Government affairs	48,683,011	-	48,683,011
Legal and litigation	25,839,035	-	25,839,035
Civil RICO	33,550,237	-	33,550,237
Teamsters Affiliates Pension Fund	37,000,000	-	37,000,000
Teamsters Archive Endowment Fund	3,000,000	-	3,000,000
Convention	5,663,368	-	5,663,368
Total program services expenses	713,128,184	3,829,263	716,957,447
Supporting services			
Administration and governance	39,641,027	389,880	40,030,907
Fund raising	-	3,007,519	3,007,519
Total expenses	752,769,211	7,226,662	759,995,873
CHANGE IN NET ASSETS BEFORE DECONSOLIDATION	131,009,284	8,082,137	139,091,421
DECONSOLIDATION OF ENTITY, HOFFA SCHOLARSHIP FUND	-	-	-
CHANGES IN NET ASSETS	131,009,284	8,082,137	139,091,421
NET ASSETS			
Beginning of period	116,904,650	9,148,564	126,053,214
Other pension and postretirement adjustments	(11,485,667)	-	(11,485,667)
End of period	\$ 236,428,267	\$ 17,230,701	\$ 253,658,968

See accompanying notes to consolidated financial statements.

	Five Years Ended December 31, 2020	Five Years Ended December 31, 2015
CASH FLOWS PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash received from		
Affiliated conferences, joint councils, and local unions	\$ 922,783,040	\$ 827,248,339
Investment income	47,674,914	27,819,275
Other revenue and reimbursements	38,604,268	50,408,710
Net cash received	<u>1,009,062,222</u>	<u>905,476,324</u>
Cash disbursed to		
Service providers, suppliers, vendors and others	(820,033,003)	(731,917,128)
Affiliated conferences, joint councils and local unions	(39,519,831)	(45,520,970)
Members for benefits under Strike Benefit Asst. Program	(7,372,309)	(9,502,453)
Net cash disbursed	<u>(866,925,143)</u>	<u>(786,940,551)</u>
Net cash provided by operating activities	<u>142,137,079</u>	<u>118,535,773</u>
CASH FLOWS PROVIDED BY (USED FOR)		
INVESTING ACTIVITIES		
Proceeds from sale or redemption of investments	390,734,363	174,429,207
Purchase of investments	(521,786,313)	(236,436,412)
Purchase of fixed assets	(13,292,413)	(3,722,892)
Proceeds from sale of fixed assets	-	869,342
Disposals of fixed assets	3,097,284	-
New loans to affiliates	(150,000)	-
Payment of loans by affiliates	244,487	1,132,398
Loan to related entity	(3,000,000)	-
Net cash used for investing activities	<u>(144,152,592)</u>	<u>(63,728,357)</u>
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Principal payments of loans	-	(18,078,714)
Net cash used for financing activities	<u>-</u>	<u>(18,078,714)</u>
NET INCREASE (DECREASE) IN CASH	(2,015,513)	36,728,702
CASH AND CASH EQUIVALENTS		
Beginning of period	<u>50,922,137</u>	<u>14,193,435</u>
End of period	<u>\$ 48,906,624</u>	<u>\$ 50,922,137</u>

See accompanying notes to consolidated financial statements.

NOTE 1. NATURE OF OPERATIONS

The International Brotherhood of Teamsters (the International Union) is one of the largest labor unions in North America with a membership representing a variety of industries and trades. The primary source of revenue is per capita taxes paid by local unions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Per capita taxes, grants, and royalties are accounted for as exchange transactions. Net assets are classified as net assets without donor restrictions and with donor restrictions. Net assets are generally reported as net assets without donor restrictions unless assets are received from donors with explicit stipulations that limit the use of the asset. Net assets with donor restrictions in the General Fund as of December 31, 2020 and 2015, resulted from contributions from local union members, local unions, and other affiliates for member-to-member communications through a Field Action Fund run by the International Union.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of International Union's General Executive Board and Management.

Board-designated net assets - Net assets that are not subject to donor-imposed restrictions but are subject to self-imposed limits by the action of the General Executive Board of the International. These net assets may be used at the discretion of the International's General Executive Board.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the International or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted net assets are "released from restrictions" when the amounts are expended for the purpose specified.

Consolidation and Fund Accounting - The consolidated financial statements include the accounts and activities of the International Union and related entities under the International Union's control. For purposes of presentation in the consolidated financial statements and in accordance with requirements set forth in its Constitution, the International Union reports its accounts and activities in the following funds:

Program Services

General Fund - Provides for the ongoing activities of the International Union not specifically carried out by any other fund. The General Fund also includes the consolidated accounts of the Teamsters National Headquarters Building Corporation, a for-profit corporation formed to be a title holding corporation

for the International Union's headquarters building. All significant intercompany account balances have been eliminated in consolidation. Also included in the General Fund are funds designated for organizing activities. Ten percent of per capita tax received by the International Union, excluding the amount received for members in Teamsters Canada, is designated for organizing activities. Per capita taxes are accounted for as exchange transactions. Funds designated for organizing activities for the Brotherhood of Locomotive Engineers and Trainmen, Brotherhood of Maintenance of Way Employees Division and the Graphic Communications/IBT Conference are governed by the applicable merger agreements.

Strike and Defense Fund - The Strike and Defense Fund was created in 2002 to support members engaged in collective action to obtain recognition, obtain and/or protect wages and benefits through the negotiation of collective bargaining agreements, enforce collective bargaining agreements, and support members who have been locked out by their employers. Fifteen percent of per capita tax received by the International Union, excluding the amounts received for members in Teamsters Canada and members employed in the public sector who do not have the legal right to strike, are transferred to the Strike and Defense Fund. Participation in the Strike and Defense Fund for the Brotherhood of Locomotive Engineers and Trainmen Division, Brotherhood of Maintenance of Way Employees Division, and the Graphic Communications Conference are governed by the applicable merger agreements. The net assets of the Strike and Defense Fund are considered board designated net assets as prescribed by the International Union constitution.

Hoffa Scholarship Fund - The Hoffa Scholarship Fund represents the accounts and activities of the James R. Hoffa Memorial Scholarship Fund, Inc., formerly a related organization under the International Union's control. Effective January 1, 2018, the Hoffa Scholarship Fund Board of Directors decided to separate the Scholarship Fund from the International Union's control. Some of the Scholarship Fund's Board of Directors are International Union officers and employees; however, it will operate as a separate, segregated fund of the International Union. The transfer of net assets is reflected on the consolidated statement of activities.

Teamster Disaster Relief Fund - The Teamster Disaster Relief Fund represents the accounts and activities of the Teamster Disaster Relief Fund, a related organization under the International Union's control. The Fund was incorporated in September 1992 and began operations in 1992 for the purpose of providing monetary and non-monetary relief directly or indirectly to individuals who are victims of hurricane, flood, earthquake, fire, accident, or other disaster. Funding is provided by monetary and non-monetary contributions from individuals or organizations affiliated with the International Union and the general public. As a form of financial assistance to the Disaster Relief Fund, the

International Union provides facilities, management, administrative, accounting, and clerical assistance.

Supplemental Benefits Trust - The Supplemental Benefits Trust represents the accounts and activities of the International Brotherhood of Teamsters Supplemental Benefits Trust, a financially inter-related organization under the International Union's control. The Trust was established on January 1, 2003, to serve as a vehicle for the coordination of several credit cards, insurance, and other programs offered to members of the International Union and their families by third party vendors. The Trust is funded primarily through royalty payments payable in accordance with the provisions of various agreements between the International Union and third party vendors which have been assigned by the International Union to the Trust.

Support Services

General and Administrative - This supporting service category includes the functions necessary to secure the proper administrative functioning of the International Union's governing board, maintain an adequate working environment, and manage financial responsibilities of the International Union.

Cash and Cash Equivalents - Cash and cash equivalents consist of amounts held in demand deposit accounts and money market accounts.

Inventory - The International Union maintains an inventory of supplies for resale to local unions and individual members. Inventory is stated at cost which approximates the selling price of items held.

Investments - Investments are reported at their aggregate fair value. The fair value of investments is determined by quoted market prices as reported by the investment custodian.

Property and Equipment - Property and equipment are carried at cost. Major additions are capitalized, while replacements and repairs that do not improve or extend the lives of the respective assets are expensed. Depreciation and amortization expense is computed using the straight line method over the following estimated useful lives of the assets:

Building and improvements	39 years
Data processing equipment	5 years
Office equipment and capitalized software	3-10 years
Furniture and fixtures	10 years
Automobiles	5 years

Canadian Currency - The International Union maintains checking and savings accounts in Canada as well as the United States. For financial statement purposes, all assets are expressed in U.S. dollar equivalents.

Canadian currencies included in the consolidated statement of financial position are translated at the exchange rates in effect on the last day of the year. Unrealized increases and decreases due to fluctuations in exchange rates are included in the consolidated statement of activities.

Funds received and disbursed in Canada are stated in U.S. dollars based on the average exchange rates in effect during the year when reported in the revenue and expenses included in the consolidated statement of activities.

Use of Estimates in the Preparation of Financial Statements - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Presentation - The International Union's consolidated financial statements present its net assets, revenues, expenses, gains, and losses, classified between net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor-imposed restrictions.

Reclassifications - Certain reclassifications have been made to prior period amounts to conform to the current period presentation.

NOTE 3. TAX STATUS

The International Union is exempt from Federal income taxes under Section 501(c)(5) of the Internal Revenue Code, except on any income derived from activities unrelated to its exempt purpose.

Income taxes on net earnings are payable by the Teamsters National Headquarters Building Corporation pursuant to the Internal Revenue Code. All operating costs of the Corporation are fully reimbursed by the International Union resulting in no net income or loss with the exception of rental income for an office for which appropriate Federal and state income taxes are paid.

The Hoffa Scholarship Fund and Teamster Disaster Relief Fund are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are reasonably expected to be publicly supported organizations and not private foundations. The Funds are subject to tax derived from unrelated business activities.

The Supplemental Benefits Trust is exempt from Federal income taxes under Section 501(c)(5) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the International Union and recognize a tax liability if the International Union has taken an uncertain position that, more likely than not, would not be sustained upon examination by the U.S. Federal, state, or local taxing authorities. The International Union is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Typically, tax years will remain open for three years; however, this may differ depending upon the circumstances of the International Union.

NOTE 4. TRADE RECEIVABLES

Trade receivables consist of the following at December 31, 2020 and December 31, 2015:

	December 31, 2020	December 31, 2015
Per capita and initiation fees	\$ 20,323,277	\$ 16,084,119
Due from Strike and Defense Fund	1,025,251	1,247,074
Unsecured notes receivable	95,099	315,275
Affinity programs	573,169	479,568
Other	229,894	310,367
	<u>\$ 22,246,690</u>	<u>\$ 18,436,403</u>

The amount due from the Strike and Defense Fund is recorded as a liability of the Strike and Defense Fund on the Consolidated Statement of Financial Position. It was eliminated in consolidation.

NOTE 5. UNINSURED CASH BALANCES AND INVESTMENT CONCENTRATIONS

The International Union places its cash and cash equivalents with various financial institutions deemed creditworthy. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in a single bank. As of December 31, 2020, the International Union's cash in excess of FDIC insurance coverage totaled \$19,676,741.

The International Union places its cash and cash equivalents with a Canadian financial institution deemed creditworthy. Canadian cash balances are insured by the Canada Deposit Insurance Corporation (CDIC) up to \$100,000 in a single bank. As of December 31, 2020, the International Union's cash in the Canadian financial institution in excess of CDIC insurance coverage totaled \$6,898,968 in Canadian dollars (approximately \$5,368,234 in U.S. dollars).

The Supplemental Benefits Trust maintains its cash with a financial institution. As of December 31, 2020, the Supplemental Benefits Trust's cash in excess of FDIC insurance coverage totaled \$305,842.

The Teamster Disaster Relief Fund maintains cash primarily with the same financial institution. As of December 31, 2020, the Teamsters Disaster Relief Fund's cash in excess of FDIC insurance coverage totaled \$590,753.

NOTE 6. GRANTS RECEIVABLE

Amounts due under grant agreements with the U.S. Government at December 31, 2020 and December 31, 2015 totaled \$342,312 and \$391,493, respectively, are due to be received within one year from the financial statement date.

NOTE 7. INVESTMENTS

The fair value and cost of investments held by the International Union at December 31, 2020, is summarized below:

	December 31, 2020		December 31, 2015	
	Cost	Fair Value	Cost	Fair Value
Common stock	\$ 587,896	\$ 2,249,639	\$ 479,343	\$ 1,339,473
Mutual fund - equity	44,080,230	82,105,709	34,488,666	37,603,643
Mutual funds - fixed income	252,546,611	262,944,092	157,998,634	152,710,313
Money market mutual fund	8,172,133	8,172,133	32,339	32,339
Corporate bonds	-	-	29,666	5,676
	<u>\$ 305,386,870</u>	<u>\$ 355,471,573</u>	<u>\$ 193,028,648</u>	<u>\$ 191,691,444</u>

Investment income consisted of the following:

	Five Years Ended December 31, 2020	Five Years Ended December 31, 2015
Interest and dividends	\$ 47,674,909	\$ 27,808,435
Net realized and unrealized (loss) gain on investments	51,421,425	(3,988,128)
Investment expenses	(748,837)	(731,861)
	<u>\$ 98,347,497</u>	<u>\$ 23,088,446</u>

NOTE 8. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the International Union has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Fair Value Measurements at December 31, 2020				
	Total	Level 1	Level 2	Level 3
Common stock - all cap value	\$ 2,249,639	\$ 2,249,639	\$ -	\$ -
Mutual fund - equity	82,105,709	82,105,709	-	-
Mutual funds - fixed income	262,944,092	262,944,092	-	-
Money market mutual fund	8,172,133	8,172,133	-	-
	<u>\$ 355,471,573</u>	<u>\$ 355,471,573</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value Measurements at December 31, 2015				
	Total	Level 1	Level 2	Level 3
Common stock - all cap value	\$ 1,339,473	\$ 1,339,473	\$ -	\$ -
Corporate obligations	5,676	-	5,676	-
Mutual fund - equity	37,603,643	37,603,643	-	-
Mutual funds - fixed income	152,710,313	152,710,313	-	-
Money market mutual fund	32,339	32,339	-	-
	<u>\$ 191,691,444</u>	<u>\$ 191,685,768</u>	<u>\$ 5,676</u>	<u>\$ -</u>

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

For the years ended December 31, 2020 and 2015, there were no transfers in or out of levels 1, 2, or 3.

NOTE 9. PROPERTY AND EQUIPMENT

Property and equipment held by the International Union consists of the following:

	December 31, 2020	December 31, 2015
Land - headquarters	\$ 794,117	\$ 794,117
Headquarters building	53,545,329	51,930,456
Leasehold improvements	26,000	26,000
Furniture and fixtures	5,460,660	5,438,143
Equipment	4,830,859	4,132,392
Data processing equipment	2,911,457	2,636,475
Computer software	7,111,196	4,560,770
Automobiles	146,060	114,630
Work in process	4,260,062	110,429
	<u>79,085,740</u>	<u>69,743,412</u>
Less accumulated depreciation	<u>(41,139,678)</u>	<u>(33,803,693)</u>
Net property and equipment	<u>\$ 37,946,062</u>	<u>\$ 35,939,719</u>

Depreciation expense for the five years ended December 31, 2020 and December 31, 2015 totaled \$10,389,121 and \$11,461,137, respectively.

NOTE 10. THE TEAMSTER AFFILIATES PENSION PLAN

The Teamster Affiliates Pension Plan (the Plan) provides defined benefits to eligible officers and employees of the International Union's affiliates.

The General Executive Board elected to curtail the Plan effective December 31, 1994, thus freezing benefits for most participants at the then accumulated level. Effective January 1, 1995, the Plan was amended to allow the affiliates to contribute on behalf of their employees. For those participants whose employer continued to contribute, benefits were not frozen until December 31, 2001. Effective January 1, 2002, no additional retirement or other benefit will be accrued under this Plan by any participant of the Plan. Any participation agreement which may have been submitted by an affiliate to, and accepted by, the Trustees of this Plan at any time on or after January 1, 1995, was terminated effective January 1, 2002, and no contributions were accepted by the Trustees from an affiliate on behalf of a participant employed by that affiliate with respect to any period of time beginning on or after January 1, 2002.

No individual who was initially employed by an affiliate on or after January 1, 2002, was eligible to become a participant of the Plan. No compensation that was received by a participant of the Plan with respect to any period of time beginning on or after January 1, 2002, was considered to be the earnings of that participant for purposes of the Plan. Any periods of credited service and/or vesting service earned by a participant on or after January 1, 2002, shall continue to be used to determine the eligibility of that participant to receive a retirement or other benefit under this Plan, but shall not be used to determine the amount of any retirement or other benefit which that participant may otherwise be entitled to receive under this Plan.

Prior to January 1, 2008, the International Union accounted for the Teamster Affiliates Pension Plan in accordance with "Compensation-Defined Benefit Plans." Under the provisions of the Pension Protection Act of 2006, the International Union was able to convert the Plan from a multiple employer plan to a multiemployer plan. As a result of this conversion, the International Union accounts for the Plan in accordance with "Compensation - Multiemployer Plans."

In August 2008, the Pension Benefit Guaranty Corporation (PBGC) granted the Plan multiemployer status under ERISA Section 3(37)(G)(i)(II). The PBGC's determination was, in part, based on the commitment made by the International Brotherhood of Teamsters (IBT) to maintain the Plan. The IBT has continued to make the minimum required contributions to the Plan each year as recommended by the Plan's actuary.

The International Union contributes to one multiemployer defined benefit pension plan. The risk of participating in a multiemployer defined benefit pension plan is different from a single-employer plan in the following aspects:

- a. Assets contributed to the multiemployer defined benefit pension plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the multiemployer defined benefit pension plan, the unfunded obligations of the multiemployer defined benefit pension plan may be borne by the remaining participating employers.
- c. If the International Union chooses to stop participating in the multiemployer defined benefit pension plan, the International Union may be required to pay the multiemployer defined benefit pension plan an amount based on the underfunded status of the multiemployer defined benefit pension plan, referred to as a withdrawal liability.

The International Union's participation in the multiemployer defined benefit pension plan for the annual period ended December 31, 2020 is outlined in the table below. The zone status is based on information that the International Union has received from the multiemployer defined benefit pension plan and is certified by the multiemployer defined benefit pension plan's actuary.

Among other factors, pension plans in the red zone are generally less than 65 percent funded, pension plans in the yellow zone are less than 80 percent funded, and pension plans in the green zone are at least 80 percent funded.

Legal Name of Pension Plan	Pension Plan's Employer Identification Number	Pension Plan's Plan Number	Zone Status	Extended Amortization Provisions Used?	Expiration Date of Collective Bargaining Agreement?
The Teamster Affiliates Pension Plan	52-6128127	333	Green as of 12/31/20	No	N/A

Legal Name of Pension Plan	Contributions to the Pension Plan 12/31/2020	Contributions to the Pension Plan greater than 5% of total Pension Plan Contributions (Plan year ending)	Employer Contribution Rates 12/31/2020	Number of Active Participants being Contributed for 12/31/2020
The Teamster Affiliates Pension Plan	\$ 15,000,000	Yes	N/A	366

Legal Name of Pension Plan	Funding Improvement Plan or Rehabilitation Plan Implemented or Pending?	Surcharge paid to Pension Plan by IBT?	Minimum contributions required in future by CBA, statutory requirements, or other contractual requirements.	
			No?	If yes, description
The Teamster Affiliates Pension Plan	No	No	No	N/A

For the Plan year beginning January 1, 2013, the Plan was certified as endangered status under the Pension Protection Act of 2006. The Board of Trustees of the Plan adopted a funding improvement plan to increase the funding percentage of the Plan which meets all of the statutory and regulatory requirements for a funding improvement plan effective as of January 1, 2013.

The funding improvement plan calls for the IBT to make annual contributions to the Plan beginning January 1, 2014 and ending December 31, 2023 in the amounts recommended by the actuary and approved by the IBT's General Executive Board. As of January 1, 2020, the Plan was certified Neither Endangered nor Critical, it is no longer obligated to fulfill the Funding Improvement Plan.

At the recommendation of the Plan's actuary, the General Executive Board of the IBT and Trustees of the Plan approved to make additional contributions to better fund the Plan. The Plan is expected to receive \$15,000,000 from the IBT for the year ended December 31, 2021.

NOTE 11. RETIREMENT AND FAMILY PROTECTION PLAN

The International Union is the sponsor of the Retirement and Family Protection Plan (the Plan), a defined benefit plan that covers the employees of the International Union and the Teamsters National Headquarters Building Corporation (a wholly owned subsidiary). Substantially all of the employees participate in the Plan. Benefits provided by this Plan are determined based on years of service, level of compensation, and date of employment. The International Union pays the full cost of the Plan and annually determines the amount, if any, to contribute to the Retirement and Family Protection Plan based on the advice of consulting actuaries.

The International Union reports in accordance with Financial Accounting Standards Board "Compensation-Defined Benefit Plans" requires that the full funding status of defined benefit pension and other postretirement plans be recognized on the statement of financial position as an asset (for overfunded plans) or as a liability (for underfunded plans).

The following are the balances as of or for the year ended December 31, 2020 as provided by the Plan's actuary:

Projected benefit obligation	\$ (180,529,003)	
Fair value of plan assets	<u>213,192,079</u>	
Funded status	<u>\$ 32,663,076</u>	
Accumulated benefit obligation	<u>\$ (168,818,930)</u>	
Amounts recognized in the statement of financial position:		
Noncurrent assets	<u>\$ 32,663,076</u>	
Amounts in net assets not recognized as components		
of net periodic benefit cost:		
Accumulated net (loss)	\$ (48,352,862)	
Prior service (costs) credit	<u>-</u>	
	<u>\$ (48,352,862)</u>	
	<u>Pension Expense</u>	<u>Pension Obligation</u>
Weighted-average assumptions:		
Discount rate	3.25%	2.50%
Expected return on plan assets	7.00%	-
Rate of compensation increase	2.50%	1.75%
Employer contributions	<u>\$ 16,000,000</u>	
Benefits paid	<u>\$ 7,586,203</u>	
Service cost included as expense in the consolidated statement of activities	<u>\$ 6,416,290</u>	
Total recognized in other comprehensive income adjustment	<u>\$ (5,504,369)</u>	

The International Union's expected contribution to the Plan for the year ended December 31, 2021 is \$16,000,000. Benefits expected to be paid by the Plan during the ensuing five years and thereafter are approximately as follows:

2021	\$ 17,802,222
2022	15,726,329
2023	14,726,065
2024	13,894,331
2025	13,096,927
Aggregate for five years beginning 2026	54,405,147

The Plan's expected long-term rate of return on assets assumption is 7.00%. As defined in Financial Accounting Standards Board "Compensation-Defined Benefit Plans," this assumption represents the rate of return on Plan assets reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The assumption has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

The Plan's overall investment strategy is to invest in securities that will meet or exceed an absolute return of 7.00%. In order to meet its needs, the Plan's investment strategy is to emphasize total return primarily by emphasizing long-term growth of principal while avoiding excessive risk and; secondly, by achieving returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of Plan assets.

The Plan's goal is to maintain the following allocation ranges for investments:

Fixed income	75% - 85%
Risk parity	10% - 20%
Equity	0% - 20%

The major classes of plan investments at December 31, 2020 are:

	<u>Fair Value</u>
Mutual funds	\$ 173,097,878
Collective trust funds	28,496,638
Hedge fund	5,907,802
Money market mutual fund	<u>993,915</u>
	<u>\$ 208,496,233</u>

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

	Fair Value Measurements at December 31, 2020			
	Total	Level 1	Level 2	Level 3
*Mutual funds	\$ 173,097,878	\$ 173,097,878	\$ -	\$ -
Money market mutual fund	993,915	993,915	-	-
Total assets in the fair value hierarchy	174,091,793	<u>\$ 174,091,793</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV	34,404,440			
Total investments	<u>\$ 208,496,233</u>			

* These three mutual funds account for approximately 81% of the Plan's net assets available for benefits at December 31, 2020.

In accordance with ASU 820-10, investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in that table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net assets available for benefits.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

For the year ended December 31, 2020 there were no transfers between levels 1, 2, or 3.

The unfunded commitments, redemption frequency and redemption notice periods for the investments measured at fair value using the Net Asset Value per Share (or Its Equivalent) practical expedient are as follows at December 31, 2020:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Collective trust funds:				
BNY Mellon AFL-CIO				
Large Cap Index Fund	\$ 22,094,785	\$ -	Daily	N/A
Invesco - Balanced Risk				
Allocation Trust	6,401,853	-	Daily	N/A
Hedge fund:				
PanAgora Risk Parity				
Multi-Asset Group Trust	5,907,802	-	Bi-monthly	3 business days
	<u>\$ 34,404,440</u>	<u>\$ -</u>		

The PanAgora Risk Parity Multi-Asset Fund's objective is to balance risk exposures in a given portfolio in an optimal fashion, so as to avoid risk concentration - be it across asset classes, or within asset class. The Fund's approach may be applied in a multi-asset class portfolio that has exposure to equities, bonds, commodities and other inflation-hedging instruments, as well as within certain stand-alone asset classes such as Diversified Risk Equity and Diversified Risk Commodities. The PanAgora Risk Parity Multi-Asset Fund is a hedge fund that may invest in derivatives.

NOTE 12. TEAMSTERS NATIONAL 401(K) SAVINGS PLAN

In 1996, the International Union entered into a trust agreement to participate in the Teamsters National 401(k) Savings Plan (the Plan). Beginning in April 1997, employees of the International Union who have completed 30 days of service may contribute to the Plan through payroll deductions. Participants may contribute up to 89% of their pretax salaries up to the maximum prescribed by law and an additional 5% of after-tax salaries. The International Union, as a Plan sponsor, does not contribute to the Plan and assumes no liability for the Plan's administrative costs.

NOTE 13. RELATED ENTITIES

The International Union has various related entities not included in the consolidation, which include a political and education fund (a separate, segregated fund of the International Union), two defined benefit pension plans, a defined contribution pension plan, a legal defense fund, and a voluntary employee benefits trust. These entities, as well as the Strike and Defense Fund, Supplemental Benefits Trust, Teamster Disaster Relief Fund, James R. Hoffa Memorial Scholarship Fund, Inc., which are included in the consolidated financial statements, and amounts due to the International Union's General Fund were as follows:

	<u>December 31, 2020</u>	<u>December 31, 2015</u>
Strike and Defense Fund	\$ 308,153	\$ 279,510
Teamster Affiliates Pension Plan	(319)	4,192
Retirement and Family Protection Plan	231	60
Voluntary Employee Benefits Trust	280,000	381,000
Supplemental Benefits Trust	188,000	228,000
Hoffa Scholarship Fund	-	(4,500)
Total	<u>\$ 776,065</u>	<u>\$ 888,262</u>

The International Union absorbs the administrative costs applicable to the operations of these related entities. All but the political and education fund, Teamster Disaster Relief Fund, and James R. Hoffa Memorial Scholarship Fund reimburse the International Union for those administrative costs through cost sharing arrangements.

The Supplemental Benefits Trust (the Trust) shares common Trustees with the IBT Voluntary Employee Benefits Trust (VEBA). In 2015, VEBA obtained a \$7,000,000 line of credit with United Bank. The Trustees of the Trust approved to guarantee the repayment of up to fifty percent of any amount borrowed by the VEBA under this line of credit. During the year ended December 31, 2020, the Trust paid \$35,000 in expenses relating to VEBA line of credit for collateral examination and loan renewal fees. No outstanding principal amount was due on the line of credit at December 31, 2020.

During the year ended December 31, 2018, the Trust gave \$3,000,000 to VEBA in the form of an interest-free loan, as approved by the Board of Trustees. At December 31, 2020, VEBA owed the Trust \$3,000,000 related to this loan.

During the year ended December 31, 2020, based on the request of the International Union and as a result of recent natural disasters affecting the United States, the Trust made a contribution of \$500,000 to the Teamster Disaster Relief Fund.

NOTE 14. POSTRETIREMENT BENEFITS

The International Union provides life insurance benefits for retired employees meeting the requirements of a normal pension or becoming disabled and receiving a disability pension. Spouses and dependent children of these retirees are also eligible to participate. In addition, certain spouses and dependent children of deceased active employees are eligible to participate in the plan.

In accordance with applicable accounting standards, the International Union has recognized a liability of \$1,003,058 and \$721,304 for the years ended December 31, 2020 and 2015, respectively, which represents the actuarially calculated accumulated benefit obligation. The accumulated benefit obligation represents the present value of future premiums to be paid by the International Union calculated using various assumptions for matters such as mortality and discount rate. The total recognized in net periodic benefit cost and other comprehensive income for the five years ended December 31, 2020 and December 31, 2015 totaled \$296,405 and \$335,582, respectively.

NOTE 15. ACCRUED LEAVE

In compliance with "Compensated Absences," the International Union has established a liability of \$4,687,513 and \$3,143,050 representing accumulated future absences of its employees through the years ended December 31, 2020 and 2015, respectively, which is included under "accounts payable and accrued expenses" in the consolidated statement of financial position.

NOTE 16. COMMITMENTS AND CONTINGENCIES

The International Union is involved in litigation arising in the normal course of operations. Some of the litigation involves matters common to any organization of comparable size, including personnel, employment, contract, and trademark issues.

Other litigation relates to the International Union's status as a labor organization. Much of this latter litigation is strategic, pursued by employers' intent on pressuring the International Union with respect to its conduct as a bargaining representative, pursuing better wages, hours, and working conditions for the members of the International Brotherhood of Teamsters.

None of the litigation involves any substantial liability on the part of the International Union. Accordingly, no provision for any liability that may result upon final adjudication of any pending litigation has been made in the accompanying consolidated financial statements.

NOTE 17. AFFINITY PROGRAM

The International Union has entered into a multi-year credit card agreement with Capital One Financial (COF), formerly HSBC Finance Corporation. This agreement provides COF the right to use certain intangible property, belonging to the International Union, including the International Union's name, logo, trademarks, and membership lists, in exchange for specified royalty payments to be paid to the International Union. COF will be entitled to use this intangible property in connection with its efforts to market credit card and certain other financial products to members of the International Union. The terms of this agreement currently extend through December 31, 2025. This agreement will renew automatically for one year successive periods unless either party notifies of their intent not to renew the agreement at least twelve months prior to December 31, 2025. Under the terms of the current agreement with COF, the minimum royalty payments COF will make to IBT will be \$3.5 million per year through February 28, 2019, \$1.5 million per year from March 1, 2019 through December 31, 2022 and \$1 million per year from January 1, 2023 through December 31, 2025.

The International Union has assigned any and all rights and interest it may have related to its agreement with COF, to the Trustees of the International Brotherhood of Teamsters Supplemental Benefits Trust.

The International Union has entered into an agreement with Metropolitan Property and Casualty Insurance Company (MetLife) effective September 1, 2013. This agreement provides Met Life the exclusive right to market and sell home and auto insurance coverage to International Union members, in exchange, MetLife will pay an inquiry fee per inquiry paid in installments pursuant to the agreement. The initial term of this agreement is five years. This agreement will continue for successive annual terms until terminated by either the International Union or MetLife upon 180 days prior written notice to the other.

The International Union assigned any and all rights and interest in may have related to the insurance plan agreement with MetLife to the Trustees of the International Brotherhood of Teamsters Supplemental Benefits Trust.

Royalty revenue totaled \$15,559,805 and \$15,449,143 for the five years ended December 31, 2020 and December 31, 2015, respectively.

NOTE 18. LEASES

The International Union leases office equipment, office space, and residential space. Monthly lease and maintenance payments are allocated to program expenses in the consolidated statement of activities. Lease obligations under non-cancelable operating leases are as follows:

<u>Year Ending December 31,</u>	
2021	\$ 778,435
2022	664,794
2023	667,914
2024	<u>500,534</u>
Total	<u>\$ 2,611,677</u>

Rental payments totaled \$7,131,042 and \$7,432,729 for the five years ended December 31, 2020 and December 31, 2015, respectively.

NOTE 19. LOAN PAYABLE

During the year ended December 31, 2015, the International Union renewed its loan agreement (line of credit) and promissory note with Wells Fargo Bank to borrow amounts up to \$10,000,000. Interest is due monthly on the outstanding balance of the note and the principal payment was due by August 31, 2016. As of December 31, 2015, the outstanding principal balance was paid off. During the year ended December 31, 2017, the International ended its loan agreement (line of credit) and promissory note with Wells Fargo Bank.

During the year ended December 31, 2017, the International Union signed a loan agreement (line of credit) and promissory note with Amalgamated Bank to borrow amounts up to \$6,000,000. Interest is due monthly on the outstanding balance of the note and the principal payment is due by March 31, 2023. As of December 31, 2020, the line of credit was not drawn upon and the outstanding principal balance was zero; however, the loan remains open for the International Union's working capital needs.

Interest expense on this loan and previous loans totaled \$402,246 for the five years ended December 31, 2015. There was no interest expense for the five years ended December 31, 2020.

NOTE 20. RISKS AND UNCERTAINTIES

The International Union holds diversified investments which are exposed to various risks including economic, interest rate, market, and sector. Such risks could cause material near term fluctuations in the market value of the investments as reported in these financial statements.

NOTE 21. AVAILABILITY AND LIQUIDITY

The following represents the International Union's financial assets available within one year of the statements of financial position date for general expenditure at December 31, 2020:

Financial assets available within one year:	
Cash and cash equivalents	\$ 48,906,624
Investments	355,471,573
Receivables	<u>22,079,521</u>
Total financial assets	426,457,718
Less amounts unavailable for general expenditures:	
Net assets with donor restrictions	<u>(840,753)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 425,616,965</u>

As part of the International's liquidity plan, excess cash is invested in short-term investments.

NOTE 22. NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2020:

Specific Purpose	
Teamster Disaster Relief Fund	<u>\$ 840,753</u>

Net assets without donor restrictions for the year ended December 31, 2020 are as follows:

General Fund	\$ 159,424,985
Strike and Defense Fund	289,445,500
Supplemental Benefits Trust	<u>26,218,174</u>
Total financial assets	<u>\$ 475,088,659</u>

Net assets released from net assets with donor restrictions for the five years ended December 31, 2020 were \$547,387.

The Supplemental Benefits Trust (the Trust) Trustees set aside the sum of \$1,000,000 as a PDP Reserve Fund which would be made available to the IBT Voluntary Employee Benefits Trust (VEBA), in the form of a contribution, in the event that the VEBA is ever unable to repay, for any reason, out of its existing resources all or a portion of any loan extended to it by Ullico and would be forced to default upon such a loan, absent such a contribution to the VEBA.

NOTE 23. FUNCTIONAL ALLOCATION OF EXPENSES

The International Union's expenses relate to various programs and other activities. The following information presents expenses by functional and natural classification. Expenses directly attributable to a specific functional area of the International Union are represented as expenses of those functional areas.

	Five Years Ended December 31, 2020		
	Program Services	Support Services	Total
Salaries, employee benefits and taxes	\$ 304,310,615	\$ 40,674,828	\$ 344,985,443
Occupancy, telephone, postage and office supplies	96,680,506	4,119,973	100,800,479
Professional fees	74,611,334	2,467,043	77,078,377
Contributions, grants, and awards	83,049,780	39,121	83,088,901
Travel	56,953,270	(1,531,725)	55,421,545
Teamster Affiliates Pension Plan	64,500,004	-	64,500,004
Depreciation and amortization	7,300,295	3,088,826	10,389,121
Other expenses	89,345,971	(3,506,746)	85,839,225
Totals	<u>\$ 776,751,775</u>	<u>\$ 45,351,320</u>	<u>\$ 822,103,095</u>

NOTE 24. CHANGE IN ACCOUNTING PRINCIPLES AND NEW ACCOUNTING PRONOUNCEMENTS

In August 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The International Union has adjusted the presentation of these statements accordingly. The ASU has been applied to all periods presented.

In May 2014 and June 2018, FASB issued ASU 2014-09 - Revenue from Contracts with Customers (Topic 606) and ASU 2018-08 - Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, respectively. The updates address the accounting guidance for contributions received and contributions made, including evaluating whether transactions should be accounted for as contributions or as exchange transactions subject to other guidance. The International Union has adjusted the presentation of these statements accordingly. The ASUs have been applied to the presentation and did not have a material effect on the financial statements.

In March 2017, FASB issued ASU 2017-07 - Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (Topic 715). The objective of the disclosure requirements in this Topic is for an employer to disaggregate the service cost component from the other components of net periodic benefit cost. Service cost must be presented in the same line item(s) as other employee compensation costs and are generally included above the line in total expenses. All other components of net periodic benefit cost must be presented in the consolidated statement of activities separately from the service cost component and outside a subtotal of income from operations. These other components generally include interest cost, expected return on plan assets, and amortization of prior service cost. The International Union adopted the ASU for the year ended December 31, 2020.

NOTE 25. SUBSEQUENT EVENTS

The International Union has evaluated subsequent events through May 12, 2021, the date the consolidated financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.



INTERNATIONAL BROTHERHOOD OF **TEAMSTERS**



The Teamster Affiliates Pension Plan Financial Statements

FIVE YEARS ENDED DECEMBER 31, 2020

CONTENTS

Independent Auditor's Report

Statement of Net Assets Available for Benefits

Statement of Changes in Net Assets Available for Benefits

Notes to Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Teamster Affiliates Pension Plan

We have audited the accompanying financial statements of The Teamster Affiliates Pension Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2020, and the related statement of changes in net assets available for benefits for the five years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2020 and changes therein for the five years then ended, and its financial status as of December 31, 2019 and changes therein for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Novak Francella LLC

Bala Cynwyd, Pennsylvania
April 23, 2021

BOSTON | 33 Harrison Avenue, Suite 500 | Boston, MA 02111 | 617.500.6578
CONNECTICUT | 255 Route 80, PO Box 698 | Killingworth, CT 06419 | 860.663.1190
NEW YORK | 450 Seventh Avenue, 28th Floor | New York, New York 10123 | 212.279.4262
PHILADELPHIA | One Presidential Blvd, Suite 330 | Bala Cynwyd, PA 19004 | 610.668.9400
WASHINGTON, DC | 7226 Lee DeForest Drive, Ste 201 | Columbia, MD 21046 | 443.832.4009

THE TEAMSTER AFFILIATES PENSION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2020

ASSETS

Investments - at fair value	
Collective trust funds	\$ 124,127,092
Mutual funds	78,653,236
Common stock	31,471,320
Limited partnerships	19,770,755
Hedge fund	7,155,366
Money market mutual fund	1,600,571
Total investments	<u>262,778,340</u>
Receivables	
Securities sold pending settlement	20,416
Interest and dividends	14,336
Due from related party	320
Total receivables	<u>35,072</u>
Other	
Prepaid expenses	92,498
Total other assets	<u>92,498</u>
Cash	<u>3,929,169</u>
Total assets	<u>266,835,079</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Securities purchased pending settlement	34,130
Accounts payable and accrued expenses	220,800
Total liabilities	<u>254,930</u>
Net assets available for benefits	<u>\$ 266,580,149</u>

See accompanying notes to financial statements.

THE TEAMSTER AFFILIATES PENSION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FIVE YEARS ENDED DECEMBER 31, 2020

Additions

Investment Income	
Net appreciation in fair value of investments	\$ 105,568,415
Interest	155,768
Dividends	24,311,752
Gain on foreign currency translation	28,323
Commission recapture	3,646
	<u>130,067,904</u>
Less investment expenses	(3,841,871)
Investment income - net	<u>126,226,033</u>
Sponsor contribution	<u>64,500,004</u>
Total additions	<u>190,726,037</u>

Deductions

Benefits	
Retirement	146,963,270
Survivor	21,492,810
Termination	1,218,847
Disability	1,095,295
Death	220,882
Total benefits	<u>170,991,104</u>
Administrative expenses	
Reimbursed administrative expenses	3,958,072
Actuarial consulting fees and expenses	414,818
Bonding and insurance	1,467,747
Professional fees	415,824
Printing, postage and office expense	224,086
Total administrative expenses	<u>6,480,547</u>
Total deductions	<u>177,471,651</u>

Net Increase 13,254,386

Net assets available for benefits

Beginning of period	<u>253,325,763</u>
End of period	<u>\$ 266,580,149</u>

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The financial statements are prepared using the accrual basis of accounting.

Investments - Investments in common stock and mutual funds are carried at fair value based upon quoted market prices or net asset value of the fund as provided by the custodial bank. The collective trust funds, hedge fund and limited partnerships are carried at net asset value as reported by the investment manager, partnership or trust based on the current market values of the underlying assets of the fund. To maximize return on investments and to realize administrative cost savings, assets of the Teamster Affiliates Pension Plan are pooled with the assets of other entities.

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service which employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Canadian Currency - The Plan maintains a savings account in Canada as well as the United States. For financial statement purposes, all assets are expressed in U.S. dollar equivalents.

Canadian currencies included in the Statements of Net Assets Available for Benefits are translated to United States dollars at the exchange rates in effect on the last day of the year.

Unrealized increases and decreases due to fluctuations in exchange rates are included in the Statements of Changes in Net Assets Available for Benefits.

NOTE 2. DESCRIPTION OF THE PLAN

The Teamster Affiliates Pension Plan (the Plan) is a defined benefit pension plan covering certain employees of affiliates of the International Brotherhood of Teamsters (the International). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. For most affiliates, the Plan was frozen as of December 31, 1994, as a result of a decision made by the Board of Trustees on October 31, 1994, and, as such, their employees had not accrued any additional benefits from January 1, 1995 through December 31, 2001, except to the extent required by law. Some affiliates had chosen to make contributions on behalf of their employees in order to allow them to accrue additional benefits through December 31, 2001. Employees earn one year of service for each year in which they are employed for 1,000 hours or more.

Effective as of January 1, 2002, no additional retirement or other benefits have been, or will be, accrued under this Plan by any participant of the Plan. Any participation agreement which may have been submitted by an affiliate to, and accepted by, the Trustees of this Plan at any time on or after January 1, 1995 was terminated effective as of January 1, 2002 and no contributions were accepted by the Trustees from an affiliate on behalf of a participant employed by that affiliate with respect to any period of time beginning on or after January 1, 2002. An individual who was initially employed by an affiliate on or after January 1, 2002 is eligible to become a participant in the Plan but is not entitled to accrue any benefit under the Plan. No compensation that is received by a participant of the Plan with respect to any period of time beginning on or after January 1, 2002 has been considered to be the earnings of that participant for purposes of the Plan. Any periods of credited service and/or vesting service earned by a participant on or after January 1, 2002 continue to be used to determine the eligibility of that participant to receive a retirement or other benefit under this Plan but have not been used to determine the amount of any retirement or other benefit which that participant was otherwise entitled to receive under this Plan.

Pension Benefits - Under current provisions of the Plan, a participant is eligible for a normal retirement benefit at age 65 or for an early unreduced retirement benefit after 30 years of service, at age 57 with 15 years of credited service, or at age 62 with 10 years of credited service. A participant is eligible for a reduced early retirement benefit at age 50 with 15 years of credited service. After completion of 3 years of vesting service, a participant will become 100% vested in his or her accrued benefit under the Plan. Vested participants with 3 or more years of service are entitled to annual pension benefits equal to the greater of (a) 2.60% of W-2 earnings up to \$40,000 plus 2.50% of earnings over \$40,000 and up to \$50,000 in each year of credited service up to 30 years or, (b) 1.95% of final average salary (average annual W-2 earnings in highest 60-consecutive-month period up to the salary limit imposed by law) times years of credited service up to ten.

Accumulated Plan benefits for active participants are based on Plan provisions in effect and the accumulated service as of the date on which the benefit information is presented (valuation date). Pension benefits are payable in the form of a joint and survivor annuity, or a single-life annuity with a 60-month guarantee. If participants terminate before rendering three years of service, they forfeit the right to receive their accumulated Plan benefits.

Under certain circumstances, participants may elect to receive a portion of the value of their accumulated Plan benefits as a lump-sum distribution upon retirement or termination.

Death and Disability Benefits - If an active participant dies, a death benefit equal to 7.50% of the participant's earnings for credited service after January 1, 1962 will be paid to the participant's beneficiary as a single lump sum. The benefit will never be below \$1,000. If at the time of death the active participant had already reached their normal retirement age, a death benefit equal to the 60-month guaranteed annuity that the deceased participant would have received will be paid to the participant's beneficiary. Active participants who have

earned at least nine years of credited service and who become totally disabled will receive annual disability benefits that are equal to the normal retirement benefits they have accumulated as of the time they become disabled without actuarial reduction for early retirement.

Participants should refer to the Summary Plan Description for more complete information.

NOTE 3. FUNDING POLICY

As discussed in Note 2, effective January 1, 2002, no additional contributions are accepted by the Trustees of the Plan for additional benefit accruals.

Contributions for benefit accruals between December 31, 1994 and December 31, 2001 were required to be made directly by participating affiliates. The contributions to the Plan for the pre-1995 accruals and for the required top-heavy minimum benefits were made by the International Union as agent for the affiliates, based on ERISA's minimum funding requirements.

On October 31, 1994, the Board of Trustees voted to freeze the Plan effective as of December 31, 1994, and to require direct contributions by affiliate employers as a condition for their employees to accrue future benefits. Affiliate employers who elected to participate in the Plan on behalf of their employees were required to sign participation agreements and to contribute 12% of compensation (up to \$50,000) to maintain the current level of benefits, or 6% of compensation (up to \$50,000) for employees to accrue benefits at one-half of the Plan's normal accrual rate. The participation agreements and contributions were effective as of January 1, 1995, and those employees' accruals were continued after that date. Employees of affiliated employers who did not elect to continue their participation continued to accrue service for eligibility and vesting purposes, as well as for accrual of minimum top-heavy benefits.

In August 2008, the Pension Benefit Guaranty Corporation (PBGC) granted the Plan multiemployer status under ERISA Section 3(37)(G)(i)(II). The PBGC's determination was, in part, based on the commitment made by the International Brotherhood of Teamsters (IBT) to maintain the Plan. The IBT has continued to make the minimum required contributions to the Plan each year as recommended by the Plan's actuary. Contributions to the Plan from the IBT are reported as sponsor contributions on the Statement of Changes in Net Assets Available for Benefits.

For the Plan year beginning January 1, 2013, the Plan was certified as endangered status under the Pension Protection Act of 2006. The Board of Trustees of the Plan adopted a funding improvement plan to increase the funding percentage of the Plan which meets all of the statutory and regulatory requirements for a funding improvement plan effective as of January 1, 2013. The funding improvement plan calls for the IBT to make annual contributions to the Plan beginning January 1, 2014 and ending December 31, 2023 in the amounts recommended by the actuary and approved by the IBT's General Executive Board. As of January 1, 2020, the Plan was certified neither endangered nor critical, and is no longer obligated to fulfill the funding improvement plan.

For the five years ended December 31, 2020, the International Brotherhood of Teamsters made \$64,500,004 in contributions.

At the recommendation of the Plan's actuary, the General Executive Board of the IBT and Trustees of the Plan approved to make additional contributions to better fund the Plan. The Plan is expected to receive \$15,000,000 from the IBT for the year ended December 31, 2021.

NOTE 4. PRIORITIES UPON TERMINATION

As discussed in Note 2, no additional benefits have been accrued since January 1, 2002. Even though no additional benefits have been, or will be, accrued, it is the intent of the Trustees to continue the Plan in full force and effect indefinitely. However, the Trustees have the right to terminate the Plan at any time. Upon termination, no part of the Plan assets will be used for, or diverted to, purposes other than those which exclusively benefit pensioners, beneficiaries and participants.

In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations. Whether or not a particular participant will receive full benefits should the Plan terminate at some future time will depend on the sufficiency of the Plan's net assets at that time and the priority of those benefits.

In addition, certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. The PBGC does not guarantee all types of benefits and the amount of any individual participant's benefit protection is subject to certain limitations, particularly with respect to benefit increases as a result of plan amendments in effect for less than five years. Some benefits may be fully or partially provided for while other benefits may not be provided at all.

NOTE 5. TAX STATUS

The Plan obtained its latest determination letter on December 2, 2015 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements under Section 401(a) of the Internal Revenue Code and was, therefore, exempt from federal income taxes under the provisions of Section 501(a). The Trustees and the Plan's counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that, more likely than not, would not be sustained upon examination by the U.S. Federal, state, or local taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Typically, plan tax years will remain open for three years; however, this may differ depending upon the circumstances of the Plan.

NOTE 6. ACTUARIAL INFORMATION

As required by the Pension Protection Act of 2006, the actuary completed the Plan's actuarial status certification under the Internal Revenue Code Section 432 as of January 1, 2020. These projections were prepared based on the Actuarial Valuation as of January 1, 2020 and asset information as of December 31, 2019, and in accordance with generally accepted actuarial principles and practices and a current understanding of the law. As of January 1, 2020, the Plan is certified neither endangered nor critical status (in the Green Zone) under the Pension Protection Act of 2006.

An actuarial valuation of the Plan was made by Segal as of January 1, 2020. Information in the report included the following:

Actuarial present value of accumulated plan benefits:

Vested benefits	
Participants and beneficiaries currently receiving benefits	\$ 230,821,660
Other participants	<u>39,314,117</u>
Total accumulated plan benefits	<u>\$ 270,135,777</u>

As reported by the actuary, the changes in the present value of accumulated plan benefits during the five years ended December 31, 2016 were as follows:

Actuarial present value of accumulated plan benefits as of January 1, 2015	<u>\$ 355,862,479</u>
Increase (decrease) during the year attributable to:	
Benefits accumulated, net experience gain or loss, changes in data	(54,685,853)
Increase (decrease) during the year attributable to:	
Interest	106,880,714
Benefits paid	(178,740,731)
Changes in actuarial assumptions	<u>40,819,168</u>
Net decrease	<u>(85,726,702)</u>
Actuarial present value of accumulated plan benefits as of January 1, 2020	<u>\$ 270,135,777</u>

The actuarial valuation as of January 1, 2020 was made using the unit credit actuarial cost method. Some of the more significant actuarial assumptions used in the January 1, 2020 valuation were:

- a. Life expectancy of participants -
 Pri-2012 Blue Collar (amount weighted) Healthy Annuitant Mortality Table projected generationally with the MP-2019 projection scale.
- b. Average retirement age assumptions - The Unreduced Retirement Age and retirement age assumption used are both 65.
- c. Investment rate of return - 6.75%.
- d. Administrative expense - \$1,300,000.

The above actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining actuarial results. The Plan's actuary has advised that the minimum funding requirements of ERISA are currently being met as of January 1, 2020.

Since information on the accumulated plan benefits at December 31, 2020 and the changes therein for the year then ended are not included above, these financial statements do not purport to present a complete presentation of the financial status of the Plan as of December 31, 2020 and the changes in its financial status for the year then ended, but only a presentation of the net assets available for benefits and the changes therein as of and for the five years ended December 31, 2020. The complete financial status is presented as of December 31, 2019.

NOTE 7. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Fair Value Measurements at December 31, 2020				
	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 78,653,236	\$ 78,653,236	\$ -	\$ -
Common stock	31,471,320	31,471,320	-	-
Money market mutual fund	1,600,571	1,600,571	-	-
Total assets in the fair value hierarchy	111,725,127	\$ 111,725,127	\$ -	\$ -
Investments measured at NAV	151,053,213			
Total investments	\$ 262,778,340			

In accordance with ASU 2015-07 Fair Value Measurement (820), Disclosures for Investments in Certain Entities that calculate Net Asset Value per Share (or Its Equivalent), investments that are measured at fair value using the net asset value per share (or Its Equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the period.

For the five years ended December 31, 2020, there were no transfers between levels 1, 2, or 3.

The unfunded commitments, redemption frequency information and redemption notice periods for the investments measured at fair value using the Net Asset Value per Share (or Its Equivalent) practical expedient are as follows:

	2020 Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective trust funds:				
BNYM Mellon AFL-CIO SL				
Large Cap Stock Index Fund **	\$ 106,572,226	\$ -	Daily	N/A
Invesco Balanced Risk				
Allocation Trust	4,936,791	-	Daily	N/A
JP Morgan Strategic Property Fund	12,618,075	-	Quarterly	45 Days
Limited partnership:				
ULLICO Infrastructure				
Tax-Exempt Fund, L.P.	5,689,567	6,000,000	*	*
White Oak Summit Fund, L.P.	14,081,188	255,472	*	*
Hedge fund:				
PanAgora Risk Party				
Multi-Asset Group Trust	7,155,366	-	Bi-monthly	3 days
	<u>\$ 151,053,213</u>	<u>\$ 6,255,472</u>		

** Represents more than 39% of net assets at December 31, 2020.

The White Oak Summit Fund, L.P. (the Partnership), a Delaware investment limited partnership, commenced operations on December 1, 2014. The general partner of the Partnership is White Oak Partners 2, LLC, a Delaware limited liability company, and the Partnership is managed by White Oak Global Advisors, LLC, a Delaware limited liability company. The Partnership was organized for the primary purpose of trading and investing in senior secured debt of private and publicly held middle market businesses in the United States. The Partnership's primary investment objective is to earn substantial current income by originating, extending, and/or investing in a diversified portfolio of corporate credit and senior secured asset-based loans and debt instruments issued by small to middle-market companies located primarily in the United States and Canada.

The Plan is a limited partner in the ULLICO Infrastructure Tax-Exempt Fund, L.P., and has committed to contribute capital up to \$12,000,000 to the partnership. The General Partner gives notice to each Limited Partner each time a capital contribution is to be paid to the partnership. As of December 31, 2020, the Plan has contributed \$6,000,000 to the partnership.

The Plan is a limited partner in the White Oak Summit Fund, L.P., and has committed to contribute capital up to \$14,000,000 to the partnership. The General Partner gives notice to each Limited Partner each time a capital contribution is to be paid to the partnership. As of December 31, 2020, the Plan has contributed \$14,000,000 to the partnership.

* - No Limited Partner may withdrawal any amount from its capital account unless the General Partner determines that continued undiminished membership of the Limited Partner in the Partnership would cause such Limited Partner or any of its Affiliates to be in violation of ERISA, or applicable state law, rule, or regulation (any Limited Partner giving such a notice, an "Affected Partner"), or would cause the underlying assets of any Qualified Investment to be deemed to be "plan assets" of any Limited Partner under the Plan Asset Regulations.

The PanAgora Risk Parity Multi-Asset Fund's objective is to balance risk exposures in a given portfolio in an optimal fashion, so as to avoid risk concentration - be it across asset classes, or within asset class. The Fund's approach may be applied in a multi-asset class portfolio that has exposure to equities, bonds, commodities and other inflation-hedging instruments, as well as within certain stand-alone asset classes such as Diversified Risk Equity and Diversified Risk Commodities. The PanAgora Risk Parity Multi-Asset Fund is a hedge fund that may invest in derivatives.

NOTE 8. DERIVATIVES

The Plan is invested in derivative financial instruments through a collective hedge fund, as allowed under the Plan's investment policy. According to management, the use of derivative financial instruments is not believed to materially increase the market risk of the Plan's investments as the investment manager monitors and controls this risk by accounting for the portfolio duration impact of the derivative positions and adhering to the Plan's investment policy.

NOTE 9. RELATED PARTY TRANSACTIONS

The Trustees of the Plan also serve as officers of the International and as the Trustee and members of the Administrative Committee of the International Brotherhood of Teamsters Retirement and Family Protection Plan. The International performs certain administrative and accounting functions on behalf of the Plan. The Plan reimbursed the International monthly based on a cost allocation study approved by the Trustees. The allocation study is updated on an annual basis. The difference between actual costs and the estimated payments are settled subsequent to year end. The Plan's share of allocated expenses for the five years ended December 31, 2020 was \$3,958,072. The International owed the Plan \$320 as of December 31, 2020 for direct expenses paid on its behalf in the normal course of business.

The transactions identified above qualify as transactions which are exempt from the prohibited transaction rules of ERISA.

NOTE 10. SECURITIES SOLD/PURCHASED PENDING SETTLEMENT

This represents the amounts due to or from the custodial bank for the purchase or sale of securities with trade dates prior to year end and settlement dates after year end.

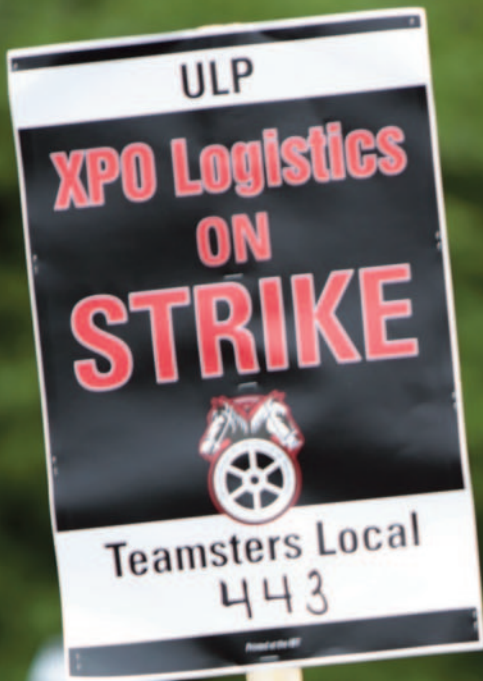
NOTE 11. RISKS AND UNCERTAINTIES

The Plan holds diversified investments which are exposed to various risks such as economic, interest rate, market and sector. Such risks could cause material near term fluctuations in the market value of the investments as reported in these financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and participant demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 12. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through April 23, 2021, the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.



INTERNATIONAL BROTHERHOOD OF **TEAMSTERS**



RETIREMENT AND FAMILY PROTECTION PLAN FINANCIAL STATEMENTS

FIVE YEARS ENDED DECEMBER 31, 2020

CONTENTS

Independent Auditor's Report

Statement of Net Assets Available for Benefits

Statement of Changes in Net Assets Available for Benefits

Notes to Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of the
International Brotherhood of Teamsters
Retirement and Family Protection Plan

We have audited the accompanying financial statements of the International Brotherhood of Teamsters Retirement and Family Protection Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2020, and the related statement of changes in net assets available for benefits for the five years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2020 and changes therein for the five years then ended, and its financial status as of December 31, 2019 and changes therein for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Novak Francella LLC

Bala Cynwyd, Pennsylvania
April 22, 2021

BOSTON | 33 Harrison Avenue, Suite 500 | Boston, MA 02111 | 617.500.6578
CONNECTICUT | 255 Route 80, PO Box 698 | Killingworth, CT 06419 | 860.663.1190
NEW YORK | 450 Seventh Avenue, 28th Floor | New York, New York 10123 | 212.279.4262
PHILADELPHIA | One Presidential Blvd, Suite 330 | Bala Cynwyd, PA 19004 | 610.668.9400
WASHINGTON, DC | 7226 Lee DeForest Drive, Ste 201 | Columbia, MD 21046 | 443.832.4009

Retirement and Family Protection Plan

Statement of Net Assets Available for Benefits

December 31, 2020

Assets

Investments - at fair value	
Mutual funds	\$ 173,097,878
Collective trust funds	28,496,638
Hedge fund	5,907,802
Money market mutual fund	993,915
Total investments	<u>208,496,233</u>
Accrued investment income	<u>14</u>
Prepaid expenses	<u>34,883</u>
Cash	<u>4,722,805</u>
Total assets	<u>213,253,935</u>

Liabilities and Net Assets

Liabilities	
Due to International Brotherhood of Teamsters	231
Accounts payable and accrued expenses	61,625
Total liabilities	<u>61,856</u>
Net assets available for benefits	<u>\$ 213,192,079</u>

See accompanying notes to financial statements.

Retirement and Family Protection Plan

Statement of Changes in Net Assets Available for Benefits

Five Years Ended December 31, 2020

Additions

Investment income	
Net appreciation in fair value of investments	\$ 27,087,449
Interest	8,244
Dividends	26,806,778
	<u>53,902,471</u>
Less: investment expenses	(660,136)
Investment income - net	<u>53,242,335</u>
Contributions from International Brotherhood of Teamsters	<u>80,000,000</u>
Total additions	<u>133,242,335</u>

Deductions

Benefits	
Pension	50,250,230
Death	2,963,915
Total benefits	<u>53,214,145</u>
Administrative expenses	
Reimbursed administrative expenses	1,246,941
Actuarial consulting fees and expenses	622,265
Bonding and insurance	933,233
Equipment rental	2,907
Professional fees	341,551
Printing, postage and office expense	14,418
Total administrative expenses	<u>3,161,315</u>
Total deductions	<u>56,375,460</u>

Net increase 76,866,875

Net assets available for benefits

Beginning of period	<u>136,325,204</u>
End of period	<u><u>\$ 213,192,079</u></u>

See accompanying notes to financial statements.

RETIREMENT AND FAMILY PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

FIVE YEARS ENDED DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The financial statements are prepared using the accrual basis of accounting.

Investment Valuation and Income

Recognition - Investments in mutual funds are carried at fair value, which generally represents quoted market value or net asset value of the mutual fund as of the last business day of the year. Investments in collective trust funds and the hedge fund are carried at net asset value as reported by the investment manager or trust.

Purchases and sales are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes gains and losses on investments bought and sold as well as held during the year.

Contributions Receivable - Contributions due and not paid prior to year-end are recorded as contributions receivable. Allowance for uncollectible accounts is considered unnecessary and is not provided.

Actuarial Present Value of Accumulated Plan

Benefits - Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service which employees have rendered.

Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2. DESCRIPTION OF THE PLAN

The International Brotherhood of Teamsters Retirement and Family Protection Plan (the Plan) is a single employer, noncontributory defined benefit pension plan covering the International Brotherhood of Teamsters' (the International) officers and employees. The Plan provides for pension, death, and disability benefits. The International Brotherhood of Teamsters is the Plan Sponsor.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The International annually determines the amount, if any, to contribute to the Plan based on the advice of consulting actuaries.

Retirement Benefits - Under current provisions of the Plan, a participant is eligible to receive a normal retirement benefit upon the later of either his or her 65th birthday or the third anniversary of his or her employment commencement date. A participant is eligible to receive an unreduced retirement benefit upon (a) the earlier of (i) attainment of age 57 with 15 years of International service or (ii) attainment of age 57 and the fifteenth anniversary of his or her

employment commencement date, (b) attainment of age 57 with 20 years of total service with the International and its affiliates, 10 years of which must be service with the International, or (c) the completion of 30 years of International service. If a participant stops working for the International before reaching his or her normal retirement date or unreduced retirement date and has earned at least 3 years of service with the International (5 years of service if he or she first was employed by the International on or after July 1, 2004), he or she will be eligible to receive a vested retirement benefit which will begin at the participant's normal retirement date (or if earlier, his or her unreduced retirement date for benefits accrued prior to April 1, 2007).

The annual retirement benefit of a participant is expressed as a percentage of the participant's "Average Annual Salary" (AAS), the average of the annual salary which the participant received during the 5 consecutive years of employment with the International during which the participant's earnings were the highest. Effective as of July 1, 1996, the annual average salary of a participant for purposes of the Plan was limited to 2/3 of the maximum amount permitted under Section 401(a)(17) of the Internal Revenue Code. Effective as of April 1, 2003, the annual average salary of a participant for purposes of the Plan was limited to the maximum amount permitted under Section 401(a)(17). As of December 31, 2007, a participant's annual retirement benefit can be expressed as follows:

- 1) 3-1/3% of AAS per year of International service prior to January 1, 1970; plus
- 2) 2-1/2% of AAS per year of International service on and after January 1, 1970; plus
- 3) 3-1/3% of AAS per year of affiliate service (up to a maximum of 15 years) if International employment began prior to January 1, 1970, or 2% of AAS

per year of affiliate employment (up to a maximum of 10 years) if International employment began on or after January 1, 1970

For members who commenced employment with the International on or after January 1, 2008, 1.5% of AAS per year of International service will be used to determine a participant's annual retirement benefit.

Upon retirement or termination of employment, a participant may elect to receive the value of his or her annual retirement benefit in the form of a single lump-sum cash termination, a single life annuity, a joint and survivor annuity, an optional joint and survivor annuity, period certain annuity, or a combination of lump sum and annuity.

The Plan was amended and benefits were changed effective as of April 1, 2003, as follows:

Participants can transfer Affiliates' service for benefit purposes up to the existing 10-year limit. Previously, participants were also limited by the amount of IBT service they had as of June 30, 1996. The Plan's lump sum factors were revised. Now, either the Plan's lump sum factors or the GATT factors published by the IRS are used to calculate the lump sum amount, whichever results in a larger lump sum. Previously, only the GATT factors were used to value a portion of a participant's benefit. The limit on recognizable compensation was restored to the full legal limit under Internal Revenue Code Section 401(a)(17). Previously, recognizable compensation was limited to two-thirds of this limit.

Effective April 1, 2007, the following plan amendments were adopted:

A member who is first hired by the International on or after January 1, 2007, and who previously worked for one or more Affiliates will only be able to transfer periods of Affiliate service which he or she completed on or prior to December 31, 1994, to the Plan for use in computing his or her Plan benefit.

For members who terminate employment before reaching age 57 or before completing 15 or more Years of Service, the portion of their benefits accrued after April 1, 2007, will be subject to early retirement reductions from age 65. Previously, the reduction was from age 57, with some exceptions.

For a member who elects to receive his or her retirement benefit under the Plan in the form of an annuity other than a joint and survivor annuity or a period certain annuity, the portion of the member's Normal Retirement Benefit that was accrued after April 1, 2007, will no longer have a death benefit feature.

In December 2007, the Plan approved several amendments which would only affect employees hired on and after January 1, 2008. These amendments would eliminate the cash termination benefit and provide only a monthly retirement benefit, reduce the multiplier from 2.5% to 1.5% annually, eliminate the transfer of service from the Teamsters Affiliates Pension Plan, eliminate the use of reciprocal service for vesting and eligibility purposes, and provide a process for the General Secretary - Treasurer to certify a list of Project and Field Action employees that would be covered under the Plan.

Effective January 1, 2013, the following plan amendment was adopted:

If the Actuarial Equivalent present value of the vested benefit to which a participant or beneficiary is entitled under the Plan is \$5,000 or less, the Plan shall distribute such benefit to the participant or beneficiary in the form of a single lump sum payment upon receipt by the Committee of a written application requesting the immediate distribution of such benefit from the participant or beneficiary. At the election of the participant or beneficiary, any portion of such lump sum payment which qualifies as an eligible rollover distribution shall be paid directly by the Plan to an eligible retirement plan specified by the participant or beneficiary.

Effective January 1, 2020, the IRS announced that the maximum compensation limit under Section 401(a)(17) and the maximum benefit payable from the Plan under the provisions of Section 415 have increased. The maximum annual compensation limit is \$285,000 for the year ended December 31, 2020, and the maximum annual benefit payable from the Plan is \$230,000 for the year ended December 31, 2020.

These are legal limits on the maximum compensation limit and the maximum annual benefit payable and are indexed for inflation on an annual basis. The Plan automatically takes these changes into account. The effect of these increases on the actuarial present value of accumulated plan benefits was reflected in the January 1, 2020, valuation.

Death and Disability Benefits - If an active participant dies, a death benefit equal in value to his or her cash termination benefit can be paid to the participant's beneficiary in the form of a single lump sum, a survivor annuity (if the beneficiary is the surviving spouse) or a 5, 10, 15, 20, or 25 year period certain annuity. If a retired participant dies, his or her beneficiary will be eligible to receive (1) one-half of the participant's monthly joint and survivor annuity for the rest of his or her life, or (2) a predetermined percentage of the participant's monthly optional joint and survivor annuity for the rest of his or her life, or (3) a single lump sum equal to the excess, if any, of the cash termination benefit which the deceased participant would have been entitled to receive upon retirement from service with the International over the sum of the monthly lifetime annuity payment which the deceased participant had actually received prior to his or her death.

An active participant who becomes disabled after he or she has completed at least three years of service with the International or three years of service both with the International and under a reciprocal plan are eligible to begin to receive a disability benefit. The disability benefit will be paid in

the form of a lifetime annuity until the earliest to occur of the day of the disabled participant's death, the day he or she ceases to be disabled or the day he or she becomes eligible to receive a normal retirement benefit or an unreduced retirement benefit from the Plan.

Participants should refer to the Summary Plan Description for more complete information.

NOTE 3. PRIORITIES UPON TERMINATION

It is the intent of the International to continue the Plan in full force and effect indefinitely. However, the International, acting through its General Executive Board, has the right to terminate the Plan at any time. Upon termination, no part of the Plan will be used for, or diverted to, purposes other than those which exclusively benefit pensioners, beneficiaries, and participants. In the event the Plan was to terminate, the net assets of the Plan will be allocated to pay benefits in priorities as prescribed by ERISA and its related regulations. Whether or not a participant will receive full benefits, should the Plan terminate at some future time, will depend on the sufficiency of the Plan's net assets at that time and the priority of those benefits.

In addition, certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions.

The PBGC does not guarantee all types of benefits and the amount of any individual participant's benefit protection is subject to certain limitations, particularly with respect to benefit increases as a result of plan amendments in effect for less than five years. Some benefits may be fully or partially provided for while other benefits may not be provided at all.

NOTE 4. TAX STATUS

The Plan obtained its latest determination letter in February 2013, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements under Section 401(a) of the Internal Revenue Code and was, therefore, exempt from Federal income taxes under the provisions of Section 501(a). The Trustee, the members of the Administrative Committee, and the Plan's counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Management is required to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that, more likely than not, would not be sustained upon examination by the U.S. Federal, state, or local taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Typically, tax years will remain open for three years; however, this may differ depending upon the circumstances of the Plan.

NOTE 5. ACTUARIAL INFORMATION

An actuarial valuation of the Plan was made by Segal as of January 1, 2020. Information shown in the report included the following:

Actuarial present value of accumulated plan benefits	
Vested benefits	
Participants and beneficiaries currently receiving benefits	\$ 16,164,751
Other participants	113,055,919
	<u>129,220,670</u>
Non-vested benefits	<u>6,099,961</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 135,320,631</u>

As reported by the actuary, the changes in the present value of accumulated plan benefits during the five years ended December 31, 2019, are as follows:

Actuarial present value of accumulated plan benefits as of January 1, 2015	<u>\$ 105,181,673</u>
(Decrease) increase during the year attributable to	
Benefits paid	(54,487,240)
Interest	39,599,905
Benefits accumulated, net experience gain or loss and changes in data	37,122,867
Changes in actuarial assumptions	<u>7,903,426</u>
Net increase	<u>30,138,958</u>
Actuarial present value of accumulated plan benefits as of January 1, 2020	<u>\$ 135,320,631</u>

The actuarial valuation as of January 1, 2020 was made using the projected unit credit actuarial cost method. Some of the more significant actuarial assumptions used in estimating the present value of accumulated plan benefits were:

- | | | |
|----|----------------------------------|--|
| a. | Life expectancy of participants: | RP-2014 separate employee and annuitant healthy mortality tables (sex-specific), reflecting both blue- and white-collar data, adjusted backward to the base year (2006) using scale MP-2014 and projected forward using scale MP-2018. |
| b. | Retirement age assumptions: | average assumed retirement age was 64. |
| c. | Investment rate of return: | 7.00% |
| d. | Administrative expenses: | \$800,000 |

The above actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining actuarial results. Pension benefits in excess of the present assets of the Plan are dependent upon contributions received under the Trust Agreement of the Plan and income from investments. The Plan's actuary has advised that the minimum funding requirements of ERISA were being met as of January 1, 2020.

Since information on the accumulated plan benefits at December 31, 2020, and the changes therein for the year then ended are not included above, these financial statements do not purport to present a complete presentation of the financial status of the Plan as of December 31, 2020, and the changes in its financial status for the year then ended, but are only a presentation of the net assets available for benefits and the changes therein as of and for the year ended December 31, 2020. The complete financial status is presented as of December 31, 2019.

NOTE 6. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

	Fair Value Measurements at December 31, 2020			
	Total	Level 1	Level 2	Level 3
*Mutual funds	\$ 173,097,878	\$ 173,097,878	\$ -	\$ -
Money market mutual fund	993,915	993,915	-	-
Total assets in the fair value hierarchy	174,091,793	<u>\$ 174,091,793</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at NAV	34,404,440			
Total investments	<u>\$ 208,496,233</u>			

* These 3 mutual funds account for approximately 81% of net assets available for benefits at December 31, 2020.

In accordance with ASU 820-10, investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

For the five years ended December 31, 2020, there were no transfers between levels 1, 2, or 3.

The unfunded commitments and redemption frequency and redemption notice periods for the investments measured at fair value using the Net Asset Value per Share (or Its Equivalent) practical expedient are as follows:

	<u>2020 Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Collective trust funds:				
NT Collective Russell 3000 Index Fund	\$ -	\$ -	Daily	N/A
Invesco - Balanced Risk Allocation Trust	6,401,853	-	Daily	N/A
BNY Mellon AFL-CIO Large Cap Index Fund	22,094,785	-	Daily	N/A
Hedge fund:				
PanAgora Risk Parity Multi-Asset Group Trust	<u>5,907,802</u>	<u>-</u>	Bi-monthly	3 business days
	<u>\$ 34,404,440</u>	<u>\$ -</u>		

The PanAgora Risk Parity Multi-Asset Fund's objective is to balance risk exposures in a given portfolio in an optimal fashion, so as to avoid risk concentration - be it across asset classes, or within asset class. The Fund's approach may be applied in a multi-asset class portfolio that has exposure to equities, bonds, commodities, and other inflation-hedging instruments, as well as within certain stand-alone asset classes such as Diversified Risk Equity and Diversified Risk Commodities. The PanAgora Risk Parity Multi-Asset Fund is a hedge fund that may invest in derivatives.

NOTE 7. RELATED PARTY TRANSACTIONS

The Trustee and the other members of the Administrative Committee also serve as officers of the International; three of the four members of the Administrative Committee, including the Trustee, also serve as Trustees of the Teamster Affiliates Pension Plan. The International performs certain administrative and accounting functions on behalf of the Plan. The Plan reimbursed the International monthly based on a cost allocation study approved by the Trustees. The allocation study is updated on an annual basis. The difference between the actual costs and the estimated payments are settled subsequent to year end. The Plan's share of allocated expenses for the five years ended December 31, 2020 was \$1,246,941.

The transactions identified above qualify as transactions which are exempt from the prohibited transactions rules of ERISA.

NOTE 8. RISKS AND UNCERTAINTIES

The Plan holds diversified investments which are exposed to various risks such as economic, interest rate, market, and sector. Such risks could cause material near term fluctuations in the market value of the investments as reported in these financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and participant demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 9. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through April 22, 2021, the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.





New Charters, Affiliate Mergers and Dissolutions

JANUARY 1, 2011 THROUGH DECEMBER 31, 2020

The following is a report of the issuance of new charters, mergers and dissolutions of affiliates since the last Convention. During this period, a total of three Local Union charters were issued as contrasted with four dissolutions and the merger of 16 others, for a net reduction of 17 in the number of affiliate Local Unions to the present 357.

New Charters

Affiliate Craft/Jurisdiction

1699	All current Bargaining Units represented by the United Nurses of Children's Hospital, which includes the Registered Nurse Unit and the Technical Unit, as well as all employees of Rady Children's Hospital-San Diego including, but not limited to, satellites, subsidiaries and affiliated organizations, or other entities covered by Rady Children's Hospital-San Diego's hospital license, but expressly excludes bargaining units that are currently represented by another Teamsters Local Union.
2118	Allegiant Air Pilots
2750	Atlas Air, Inc

Mergers

Affiliate Craft/Jurisdiction

1	Boston Mailers Union No. 1 – I.B.T. Local No. 1 Boston and Vicinity Massachusetts.
7	General Teamsters including Pipeline, from the Indiana border, following the Lake Michigan shoreline north to the southwest boundary of Holland, Michigan, and moving East along 135th Avenue including the cities of Wayland and Middleville, following M-37 South to and including the cities of Hastings, and

East to M-66, North to the Ionia county line, South to the Calhoun county line. Then Easterly, following the Calhoun county line to the Jackson County line to the Hillsdale County line. Then West to the Branch County line South to the Indiana State line, and West to Lake Michigan.

102	Brewery, Industrial, Professional and Public Employees, State of New Jersey
160	General Drivers, Helpers, Warehousemen and Inside Employees, Albert Lea Faribault, Rochester, Winona, Red Wing and Vicinities, Minnesota
211	Newspaper, Newsprint, Magazine, Electronic Media Film, Delivery Drivers and Handlers and Casino Workers, Allegheny County.
259	Newspaper Chauffeurs, Distributors and Helpers, Boston, Massachusetts
279	Teamsters, Chauffeurs, Warehousemen and Helpers, Decatur, Illinois
287	Freight, Construction, General Drivers, Warehousemen and Helpers, the Counties of Santa Clara and San Benito, California.
312	Teamsters Local 312, Delaware County, Pennsylvania Chester County, Pennsylvania, and Vicinity.
372	General Local, including but not limited to Newspapers, Magazines, Periodicals, Communication, Casinos and Mailers; State of Michigan
523	General Drivers, Warehousemen and Helpers, Tulsa Oklahoma
529	Chauffeurs, Teamsters, Warehousemen and Helpers, Elmira, New York

- 559 Grocery, Bakery, Construction, Drivers and Helpers Greater Hartford Area, Connecticut
- 601 Cannery Workers, Processors, Warehouse and Helpers, Stockton, California 95202
- 754 Dairy Employees, Milk, Ice Cream, Related and Substitute Products, Processing, Delivery and Clerical, Chicago, Northern Illinois and Southern Wisconsin
- 1414 Newspaper & Magazine Employees Union, Philadelphia and Vicinity Pennsylvania



Dissolutions

Affiliate Craft/Jurisdiction

- 1108 Fractionally Operated or Leased Private Aircraft Pilots Worldwide
- 2011 Florida Department of Corrections, State of Florida
- 244 City, County and Waste Paper Drivers, Cleveland, Ohio
- 984 General Drivers, Salesmen and Warehousemen, Memphis and Vicinity, Tennessee.



