



Teamster Center Services

TEAMSTER CENTER SERVICES FUND
121 WEST 27TH STREET, SUITE 1100
NEW YORK, NY 10001
TEL: 212-235-5003 FAX: 212-243-3334



www.teamstercenter.com
info@teamstercenter.com

November 16, 2020

Alicia Cochran
Local 338 Welfare Trust Fund
c/o Associated Administrators, LLC
911 Ridgebrook Rd.
Sparks, MD 21152

Re: Remittance Rate Increase

Dear Alicia:

After reviewing the operations of the Teamster Center Services Fund, the Fund's Board of Trustees has approved increases in the monthly remittance rate. To minimize the financial impact to the participating welfare funds, the Trustees agreed that the remittance rate increases would occur in three phases over a 24-month period based on the following schedule:

1/1/2021 - 10 cent increase from \$1.85pmpm to \$1.95pmpm

1/1/2022 - 10 cent increase from \$1.95pmpm to \$2.05pmpm

1/1/2023 - 10 cent increase from \$2.05pmpm to \$2.15pmpm

The decision for the remittance increases is based primarily on three factors:

- 1) The TCS Fund had not increased the remittance rate since January 2015 and an increase was necessary to keep up with rising Fund expenses.
- 2) For the past 26 years, the TCS Fund has been able to hold remittance at very low levels due to the income generated by the Fund's annual Health & Benefits Expo. The success of this conference led to it producing 15% of the Fund's annual revenue. However, due to the COVID-19 pandemic, TCS had to cancel the Health & Benefits Expo and now the future of that event is unknown.
- 3) The pandemic has caused a decrease in total membership of nearly 4,000, which is projected to lower the Fund's income by 10% over the next 8-10 months.

The TCS Fund has operated at a surplus for the past several years and has the assets to sustain losses for a period of time but not on an ongoing basis. The Fund has made several cost-cutting measures and will continue to operate on a minimalist budget.

If you have any questions regarding the change in the remittance rate, please contact me at 212-235-5003 or via email at ajohnson@teamstercenter.com.

Regards

TCS Fund Administrator