

NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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TO: ALL PARTICIPANTS AND BENEFICIARIES RECEIVING PLAN BENEFIT PAYMENTS

RE: NORTHERN CALIFORNIA PIPE TRADES PENSION PLAN

Annual Notice of Right to Elect or Revoke Federal Income Tax Withholding on Periodic Payments

Dear Plan Participant:

We are required to inform you that monthly payments from the Northern California Pipe Trades Pension Plan may be subject to Federal Income Tax withholding unless you (or in the event of death, your Beneficiary or Estate) elect not to have withholding apply.

Federal Law allows you to change or revoke the amount withheld on these payments at any time. This Notice is being sent in order to comply with the annual Federal notice requirement.

**IF YOU DO NOT WISH TO CHANGE YOUR CURRENT WITHHOLDING ELECTION,
NO ACTION IS NECESSARY.**

Please refer to your payment or payment notification which is enclosed with this Notice.

If you wish to make or change/revoke an election, you must complete the enclosed Federal Income Tax Withholding Election Form and return it to the address listed at the bottom of the form.

Please Note: You may revoke an election at any time. Your withholding election will remain in effect until revoked. Any election not to have withholding apply is prospective only and any election made after a payment is not an election with respect to that payment.

As a reminder, if you previously did not complete the Federal Income Tax Withholding Election Form, and your gross Retirement Benefit payment exceeds \$1,990 per month, Federal Law requires the Plan to **automatically withhold** income tax from your Retirement Benefit payments *as if you were a married individual claiming three withholding allowances*. However, no Federal Income Tax will be withheld if the taxable portion of your annual payment is less than \$23,880 (\$1,990 per month) from this Plan. This dollar amount is adjusted each year by the Internal Revenue Service ("IRS").

If you elect not to have withholding applied to your periodic Retirement Benefit payments, or if you do not have enough Federal Income Tax withheld from such payments, you may be responsible for payments of estimated tax. You may also incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. Refer to <https://www.irs.gov/pub/irs-pdf/p505.pdf> for more details on estimated tax requirements and penalties.

The Trust Fund Office cannot assist you in computing your estimated Federal Income Tax. If you have any question as to whether you should have Federal Income Tax withheld from your periodic Retirement Benefit payments, **please contact your tax advisor or your local Internal Revenue Service office or refer to IRS publication found at <https://www.irs.gov/uac/about-form-w4p> for more information.**