

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

Tax Equity and Fiscal Responsibility Act (“TEFRA”)

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 to comply with the annual Federal notice requirement.

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

Please refer to your payment or payment confirmation, 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 (“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 to not 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 did not previously complete a Federal Income Tax Withholding Election Form or you don’t provide a Social Security Number (“SSN”) (or the Internal Revenue Service [“IRS”] notifies us that you gave an incorrect SSN), Federal Law requires the Plan to **automatically withhold** income tax from your Retirement Benefit payments *as if you are a single individual claiming zero withholding allowances*. Refer to www.irs.gov/pub/irs-pdf/fw4p.pdf for Form W-4P and instructions.

The annuity or periodic payment will be treated like wages for withholding purposes. However, you can claim an exemption from Federal Income Tax withholding if your annual payment is \$25,900 or less (if married filing jointly or qualifying widower) or \$12,950 (single or married filing separately) or \$19,400 (head of household). These dollar amounts are adjusted each year by the IRS.

If you (or in the event of death, your Beneficiary or Estate) 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. There are penalties for not paying enough Federal Income Tax during the year, either through withholding or estimated tax payments. Refer to 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 questions as to whether you should have Federal Income Tax withheld from your periodic Retirement Benefit payments, **contact your tax advisor or your local Internal Revenue Service Office or refer to the IRS publication found at www.irs.gov/uac/about-form-w4p for more information.**