

# NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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**MAY 2016**

**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 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 notification enclosed with this notice.

If you wish to make or change/revoke an election, you must complete the enclosed Federal 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.

If you previously did not complete the election form, and the taxable portion of your pension payment exceeds \$1,725.50 per month, Federal law requires the Plan to **automatically withhold** income tax from your pension 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 \$ 20,706 (\$1,725.50 per month).

If you elect not to have withholding applied to your periodic 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.

The Trust Fund Office cannot assist you in computing your estimated Federal Income Tax. Please consult your tax advisor or your local Internal Revenue Service office for specific tax advice.