

NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

935 Detroit Avenue, Suite 242A, Concord, CA 94518-2501 • Phone 925/356-8921 • Fax 925/356-8938
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Notice Regarding California Personal Income Tax Withholding From Monthly Retirement Benefits

Applies to California Residents Only

The following information only applies to you if you are a resident of the State of California. In addition to being taxed at the Federal level, your Retirement Benefit may also be taxed at the State level.

Monthly Retirement Benefits Exceeding the Minimum Amount Listed on Current State of California Tax Withholding Tables

If your monthly Retirement Benefit exceeds the minimum amount listed on the current State of California Tax Withholding Tables, we are required under State Regulations to withhold California Personal Income Tax from your Retirement Benefit.

Important: Once you have submitted a Withholding Election Form, we will continue to withhold taxes in accordance with your election and the current California State Tax Withholding Tables that are in effect. The California State Tax Withholding Tables may change at any time. Please visit www.edd.ca.gov (Form DE4P) for the most current Withholding Table.

Monthly Retirement Benefits Under the Minimum Amount Listed on Current State of California Tax Withholding Tables

If your monthly Retirement Benefit is less than the minimum amount listed on current State of California Tax Withholding Tables, we will not withhold any California Personal Income Tax, unless you have elected to have tax withheld.

Important: Once you have submitted a Withholding Election Form, we will continue to withhold taxes in accordance with your election and the current California State Tax Withholding Tables that are in effect. The California State Tax Withholding Tables may change at any time. Please visit www.edd.ca.gov for the most current Withholding Table.

Possible Effect of Insufficient Withholding

Withholding is simply a method of paying taxes. It does not increase or decrease the total amount of your tax liability. If your total income is high enough to require you to pay income taxes, but you do not have enough tax withheld from your monthly Retirement Benefit payments, you may be responsible for payment of estimated tax. You may be subject to penalties under the estimated tax laws if your withholding and estimated tax payments are not sufficient.

How to Make a Withholding Election or Change Your Withholding Election

To make your election, complete the back of this Form and return it to the Trust Fund Office. Remember, the Plan cannot refund any tax it withholds from your Retirement Benefit. Your withholding election will remain in effect until you file a new Withholding Election Form which automatically revokes your previous election. If you wish to change your election in the future, you can request a new Form from the Trust Fund Office, or obtain one from our website: www.ncpttf.com. **CAUTION:** If you do not submit a California State Tax Withholding Election Form, the Plan must withhold on payments as if you are married claiming three (3) withholding allowances. Generally, this means that tax will be withheld if your pension or annuity is at least \$3,198 a month.

Generally forms received by the 20th of the month will be processed for the following month.

Reporting of California Personal Income Tax Withheld

We are required to report your total annual Retirement Benefit amount to the California State Franchise Tax Board. The taxes withheld from your monthly Retirement Benefit payments during the year will be reported on a Form 1099-R (Distributions from Pensions, Annuities, Retirement, or Profit-Sharing Plans), which will be mailed to you in January of the following year.

Payments to Non-California Residents

Federal law prohibits states from taxing retirement income received by non-resident individuals. Therefore, no California State Income Tax is to be withheld from pension recipients who reside outside of California.

Questions About Your California Personal Income Tax Withholding

If you have a question about how much you should withhold, please consult a tax advisor. The Trust Fund Office cannot provide any tax counseling.

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California State Tax Withholding Election Form

Instructions

- Please first read the information on the other side of this Form.
- Complete, sign, and return this Form to make a California State Tax Withholding Election. (Not valid without signature.)
IMPORTANT: This Form revokes any prior California State Tax Withholding Election Form you previously submitted. Also, THIS FORM WILL NOT CHANGE YOUR FEDERAL TAX WITHHOLDING ELECTION.

SECTION 1: Payee Information	
Please complete the following:	
Name _____	Last 4 digits of SSN xxx-xx-_____
Address _____	
Street or PO Box	City, State, Zip
Telephone # (_____) _____	Cell Phone # (_____) _____
Email Address _____	

SECTION 2: California Personal Income Tax Withholding Election
A. Please check only <u>one</u> box:
<input type="checkbox"/> I <u>do not</u> want California Personal Income Tax withheld from my monthly Retirement Benefit. (Do not complete Subsection B. below.)
<input type="checkbox"/> I <u>do</u> want California Personal Income Tax withheld from my monthly Retirement Benefit. This election will remain in effect until I revoke it. (Complete Subsection B. below).
B. If you have chosen to have tax withheld, you can have tax withheld <u>one of two ways (please complete line 1 or 3).</u> You may also designate an additional dollar amount on line 2:
1) According to the number of allowances and withholding status (single or married) you elect (the amount withheld will be determined by the tables the State of California publishes).
• Total number of allowances (0-10) you are claiming _____
• Marital Status: _____ Single _____ Married
2) Optional: Additional amount, if any, you want withheld.
• Withhold \$ _____ .00 from each payment.
OR
3) Ten percent (10%) of the amount of Federal withholding.
<input type="checkbox"/> Check here to select this option in lieu of claiming withholding allowances. (Do not complete lines 1 or 2.)

➔ **Signature** _____ **Date** _____

Mail the completed and signed Form to:

NCPTTF
Attention: Pension Department
935 Detroit Avenue, Suite 242A
Concord, CA 94518-2501