

ELECTION FOR FEDERAL TAX WITHHOLDING

This form serves as a substitute for IRS Form W-4P

If you elect not to have withholding apply to your benefit payments, or if you do not have enough Federal income tax withheld from your benefit payments, you may be responsible for payment of estimated tax. **Please note the Federal tax tables have changed.** If your withholding and estimated tax payments are not sufficient, you may incur penalties under the estimated tax rules. If you have questions about withholding, please consult your tax preparer.

1 I do **NOT** want to have any federal income tax withheld from my monthly benefit.

2 I **DO** want to have federal income tax withholding from my monthly benefit, using the following marital status:

- Single or Married filing separately
- Married filing jointly or Qualifying Widower
- Head of household

See the enclosed IRS Form W-4P for more information and a **worksheet to calculate your personal withholding allowances**. (Do not return the Form W-4P to the Fund Office.)

3 Please withhold the following **additional** amount from each monthly payment. (You cannot elect an amount here without completing line (2).) \$_____

Your Signature			
Print Your Name		Social Security Number	
Street, Apt.		City	
State	ZIP	Daytime Phone Number	
Your Signature		Date	

(For Fund Office Use Only) Sent by _____ on _____; Received by _____ on _____

FEDERAL INCOME TAX WITHHOLDING FROM MONTHLY BENEFIT

NOTICE and INSTRUCTIONS

Federal Tax and Withholding. Your monthly benefit is "income" for federal tax purposes. Federal income tax withholding is similar to wage withholding. Pension benefit withholding is determined as follows—

- ◆ If your benefit is below the IRS's annual limit – see below – withholding will **not** apply *unless* you elect to have withholding apply (see Election for Federal Tax Withholding, next page).
- ◆ If your benefit is above the IRS's annual limit – see below – withholding will automatically apply as though you were **married claiming three withholding allowances**, *unless* you elect to have no withholding, or withholding at a different rate (see Election for Federal Tax Withholding, next page).

<p>The <u>IRS's annual limit</u> for 2022 is \$25,800 per year, or \$2,150 per month.</p>
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Making and Changing Your Election. You can change the automatic withholding described above by making an election on the next page and returning it to the Fund Office. Your election will remain in effect until you change it by completing a new election form. You can make a new election for future payments at any time, and as often as you wish. Any change generally will take effect for the first payment cycle that is at least 30 days after the Fund Office receives your new election. You can obtain another election form at any time by contacting the Fund Office.

Information About State Tax Withholding for Pensions

State tax laws change from time to time and from state to state. The Fund Office Pension Department cannot be responsible for providing information about any particular state's tax laws. The information below is for general reference only and you should consult with your tax preparer for your particular situation.

As a **New Jersey** resident, you may elect to have New Jersey State withholding, however, it is not required.

If you would like to have optional state income tax withholding from your monthly benefit payments, and your state permits that, please contact the Fund Office Pension Department. It is up to you to inform the Fund Office of any state income tax withholding for your benefit.

If you have questions about state tax withholding applicable to your situation, please consult your tax preparer.