

## PLUMBERS AND STEAMFITTERS LOCAL UNION NO. 33 RETIREMENT TRUST

### NOTICE OF WITHHOLDING ON DISTRIBUTIONS

This notice explains the tax withholding rules that apply to your distributions from the plan if you select a payment form that is not an eligible rollover distribution. Withholding means money subtracted from your payment and sent to the IRS to be applied against your future tax obligations. This means that when you file your taxes, if too much money was withheld, you will get a refund; if too little was withheld, you will pay the balance that you owe.

Certain payment forms under the plan are subject to mandatory withholding and some to voluntary withholding. As noted in the "Special Tax Notice Regarding Plan Payments," lump sum distributions are eligible rollover distributions which are subject to mandatory withholding. However, your monthly annuity payments are not eligible rollover distributions, and are subject to voluntary withholding.

Voluntary withholding means that you can elect whether or not to have Federal income tax withheld from your distributions. (See Part I below for information regarding voluntary withholding.) Mandatory withholding means that 20% of Federal income tax must automatically be withheld from any lump sum distribution paid directly to you. (See Part II below for information regarding mandatory withholding.)

Withholding is one way for you to pay a portion of your income tax. If enough tax is not withheld from your benefits, you may have to pay estimated taxes during the year, or a tax penalty at the end of the year. Please remember that whether you have to pay federal income tax on your benefit payments depends on the total amount of your taxable income. **Your decision on withholding is an important one. You may wish to discuss it with a qualified tax adviser.** Your original choice on withholding will remain in effect until you file a new election with the Fund Office at 2501 Bell Avenue, Des Moines, Iowa 50321.

#### I. Voluntary Withholding

Distributions under the monthly annuity payments that you receive from the Plan are subject to Federal income tax withholding, unless you elect (as described below) not to have withholding apply.

If you want to have Federal income tax withheld from your payments, the Pension Plan will be responsible for withholding and paying the withheld taxes to the Internal Revenue Service. Amounts withheld will be credited against any income taxes imposed.

To elect whether or not you want to have any withholdings from your monthly annuity check, complete Section A on Page 2. If you do not complete Page 2 by the date that your distributions are scheduled to begin, Federal income taxes will automatically be withheld from your distribution payments, if eligible, based on a married person claiming three withholding allowances. Otherwise, you must complete Form W-4P specifying a different marital status and/or number of allowances.

The election you make will be effective thirty days after you file your forms and it will remain in effect until you change or revoke it. If you want to revoke your previously filed election, you will have to file another Page 3. *Changes will be effective first of the month following 30 days from receipt of change.*

If you elect not to have Federal income tax withholding apply to your distribution or if you do not have enough Federal income tax withheld, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

## II. Mandatory Withholding

If you have a lump sum distribution paid directly to you, the Fund Office is required to withhold 20% of your payment for Federal income taxes. However, if you elect a direct rollover, no Federal taxes will be withheld on the amount rolled over. You can elect a direct rollover only if your plan distributions during the year are \$200 or more. You can have part of your plan benefits paid directly to you and the rest paid as a direct rollover to an IRA/Roth Account or another employer plan only if the portion you rollover is \$500 or more.

### TAX WITHHOLDING/DIRECT ROLLOVER FORM

- A. Monthly Annuity Payments: If you selected a Lump Sum Payment with a reduced annuity form of payment or an unreduced annuity form of payment, please select one of the following options with regard to Federal and State Income Taxes to be withheld from your monthly benefit payment.

#### Federal Income Tax

- (a) Yes, please withhold Federal Income Taxes from my monthly benefit payment. As follows:

\_\_\_\_\_ (% or amount withheld per month)

- (b) Do not withhold Federal Income Taxes from my monthly benefit payment.

#### State Income Tax

- (a) Yes, please withhold State Income Taxes for Iowa from my monthly benefit payment. As follows:

\_\_\_\_\_ (% or amount withheld per month)

- (b) Do not withhold State Income Taxes for Iowa from my monthly benefit payment.

- B. Lump Sum Payment: If you selected a Lump Sum Payment with a reduced Single Life annuity form of payment, please be aware that 20% of your Single Sum Payment will be withheld for Federal Income Taxes unless you elect to have it directly rolled into an Individual Retirement Arrangement (IRA), Roth Account, or to another qualified retirement plan. Select one:

- (a) Entire payment to me. I understand that an amount equal to 20% of my lump sum payment will be withheld for Federal Income Taxes.

- (b) Entire lump sum payment will be directly rolled into an IRA/Roth Account, qualified retirement plan, 403(b) plan or 457 governmental plan as described below. (Complete Section D below).

- (c) A portion of my lump sum payment will be paid to me and a portion directly rolled into an IRA/Roth Account, qualified retirement plan, 403(b) or 457 governmental plan as described below. Federal Income tax will be withheld equal to 20% of the lump sum payment made directly to me. (Complete Sections C and D below).

*I understand that all or any part of the lump sum payment can be directly rolled into an IRA/Roth Account/qualified plan.*

C. Please direct my lump sum payment in the following proportions.

To me:

To an IRA/Roth Account, Qualified Plan, 403(b) plan  
or 457 governmental plan

\_\_\_\_\_  
(Dollar amount or percentage)

\_\_\_\_\_  
(Dollar amount or percentage)

**Note:** *It is acceptable to elect \$500 for example, as amount paid to me and indicate "Remainder" as amount to the IRA/Roth Account, or vice versa.*

D. Eligible Retirement Plan Designation (Select one or both, as applicable)

(a) Individual Retirement Arrangement/Roth Account

Name of IRA Trustee/Custodian \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip Code \_\_\_\_\_

Account Number \_\_\_\_\_

(b) Qualified Retirement Plan

Plan Name \_\_\_\_\_

Company Sponsor \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip Code \_\_\_\_\_

***Please verify that the Qualified Retirement Plan named above does in fact accept direct rollovers.***

I have read the Special Tax Notice Regarding Plan Payments, that was provided to me and I understand my rollover options and the tax withholding consequences. I attest that the information contained in this form is true and correct.

\_\_\_\_\_  
Participant's Name (Printed)

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Date