



## TAX WITHHOLDING ON RETIREMENT PLAN DISTRIBUTIONS

Understanding the new Forms W-4P and W-4R

The IRS recently made changes to the forms that allow you to manage tax withholding on your retirement plan distributions. These forms are called **Form W-4P** and **Form W-4R**. Your distributions are subject to default withholding rates unless you change the rate by completing one of these forms.

**You are not required to complete a withholding form to receive a distribution from your retirement accounts with Pension Fund.**

- Your current withholding rate for periodic payments, such as your monthly pension, that began before 2024 will not change in 2024, and no action is required unless you wish to change your current rate.
- If you do not make any withholding election for new distributions, Pension Fund will apply the default withholding rate based on your distribution type. The default rate is indicated on your distribution form.
- Complete a new form only if you wish to change either the existing withholding election or the default withholding rate for your distribution.

Your withholding rate generally applies to the taxable portion of your distribution. However, it will also apply to amounts designated as housing allowance and all distributions from a Traditional IRA, even if the distribution represents nondeductible or after-tax contributions.

If you do not want withholding on amounts that will not be included in your taxable income, you should elect either no withholding or a reduced rate of withholding.

### TIPS FOR COMPLETING FORM W-4R

	ELIGIBLE ROLLOVER DISTRIBUTIONS	NONPERIODIC PAYMENTS
Use this form for:	<ul style="list-style-type: none"><li>• Lump sum payments from the TDRA or Pension Plan, including cash-outs and refunds.</li><li>• Installment payments from the TDRA scheduled for less than 10 years.</li></ul>	<ul style="list-style-type: none"><li>• Hardship distributions from the TDRA.</li><li>• Required minimum distributions (RMDs) from the TDRA.</li><li>• All IRA distributions, unless you are receiving an annuity.</li></ul>
Default rate of withholding applicable to taxable portion of your distribution:	20% (withholding is <b>mandatory</b> ).	10%.

<b>To elect no withholding:</b>	You cannot elect out of withholding.	Enter "0%" on line 2. <i>You cannot elect out of withholding for payments made <b>outside the U.S.</b></i>
<b>To elect different withholding:</b>	Enter a number that is greater than "20%".	Enter a number other than "10%" on line 2.
<b>Don't forget:</b>	Include your social security number and sign and date your form.	

<b>TIPS FOR COMPLETING FORM W-4P</b>	
	<b>PERIODIC PENSION OR ANNUITY PAYMENTS</b>
<b>Use this form for:</b>	<ul style="list-style-type: none"> <li>• All monthly pension and survivor payments from the Pension Plan.</li> <li>• Installment payments from the TDRA scheduled for 10 years or more.</li> <li>• Annuity payments from the TDRA or Traditional IRA.</li> </ul>
<b>Default rate of withholding applicable to taxable portion of your distribution:</b>	Single with no adjustments (for pensions/installments/annuities beginning in 2023 or later).
<b>Steps that are required:</b>	The new Form W-4P has 5 steps. You are <b>required</b> to complete Step 1 (personal information) and Step 5 (signature).
<b>To elect no withholding:</b>	Complete Steps 1a, 1b, and 5, and write " <b>NO WITHHOLDING</b> " in the space below Step 4. You may want to elect no withholding if the payments are designated as housing allowance.
<b>When to complete Steps 2 through 4:</b>	<p>Prior to 2023, the IRS provided worksheets and other tools for use by taxpayers with more complicated tax situations to calculate more accurate withholding. Beginning in 2023, these worksheets are incorporated into Steps 2 through 4 of Form W-4P.</p> <ul style="list-style-type: none"> <li>• Complete Step 2 only if you or your spouse, if married filing jointly, have wages from a job or receive income from another pension.</li> <li>• Complete Steps 3 – 4(b) only if (1) neither you nor your spouse have wages from a job <b>and</b> (2) your pension from Pension Fund pays the most annually of all your and your spouse's pensions.</li> <li>• Complete Step 4 only if you want any other adjustments to your tax withholding.</li> </ul>
<b>Don't forget:</b>	Include your social security number and sign and date your form.

*The material contained in this brochure is for informational purposes only and not to be construed as tax, financial, or legal advice. Before making decisions about financial matters, please consult your attorney, tax preparer or other financial advisor to find out how these programs will impact your individual situation.*