



## CARPENTERS PENSION FUND OF ILLINOIS

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Website: <http://www.iebcfunds.org>

March 2018

Re: **ANNUAL REMINDER ABOUT INCOME TAX WITHHOLDING**

Dear Retiree, Surviving Spouse or Beneficiary:

As you may recall, when you began to receive your benefit payments, you were given the opportunity to choose whether you wanted federal income tax withheld from those payments. This is to remind you that you may change your withholding election at any time.

Please note the federal income tax withholding tables for 2018 have changed. You may notice a change to your Pension check, effective April 1, 2018.

Until you file a new withholding election, your original election, and on what basis, will remain in effect. You may change your election using a W-4P Form. This form is available from the IRS, the Fund Office or by visiting the Fund's website at [WWW.IEBCFUNDS.ORG](http://WWW.IEBCFUNDS.ORG). If you make a change in your election, it will typically be put into effect the first of the month after the month in which we received the new election form.

*Special 2018 Transition Rule. The new tax law enacted on December 22, 2017 made a number of changes that affect individual taxpayers including an increase in the standard deduction, the repeal of personal exemptions and changes in the tax rates and brackets. Because of the timing of the law, the IRS has stated that you may continue to use the 2017 Form W-4P to make changes until 30 days after the 2018 Form W-4P becomes available.*

Withholding on your benefit payments is one way for you to pay a portion of your income tax. If not enough tax is being withheld from your total taxable income for the year, you may have to pay estimated taxes during the year or be subject to a tax penalty at the end of the year. Of course, whether or not you have to pay federal income tax depends on the total amount of your taxable income, not just on your benefit payments from the plan.

Your decision on withholding is an important one. You may wish to discuss it with a qualified tax adviser. **Please note if we are currently withholding or not withholding federal income tax in accordance with your wishes, no action is required on your part. As always, it is important to notify our office of any change in your address as not doing so could result in the suspension of your monthly check.**

Sincerely,

Carpenters Pension Fund of Illinois