



## CARPENTERS ANNUITY TRUST FUND FOR NORTHERN CALIFORNIA

carpenterfunds.com

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### APPLICATION FOR WITHDRAWAL OF ACCUMULATED SHARE FOR SURVIVING SPOUSES AND BENEFICIARIES

Mail back this entire Application after completing it. **This completed Application must be submitted to the Board of Trustees—no other type of Application is acceptable.**

- Make sure information is completed, signed and dated where applicable. **An incomplete application will be denied.**
- Be sure to sign and date the document. **Missing documentation will delay the processing of your Application.**

Refer to your last quarterly statement for your Accumulated Share balance. Knowing your balance can help you elect a payment form.

- **Your Application will take approximately 60 to 90 days to process.**
- **The Trust Fund does not provide for hardship withdrawals, nor can the Trust Fund “rush” the processing of your Application due to a hardship.**

If your Application is denied, you will receive a Notice of Denial from the Board of Trustees explaining the reason(s) for the denial. Note that you have the right to appeal a denial of your Application. The procedures are explained in the Notice of Denial.

**If you have any questions or need assistance completing your Application, please contact the Trust Fund Office at (510) 633-0333, (888) 547-2054 (Toll Free) or [benefitservices@carpenterfunds.com](mailto:benefitservices@carpenterfunds.com).**

The Survivor Annuity is the automatic form of payment if you are a Surviving Spouse. With this payment form, your Account balance is paid to an insurance company, which then pays a constant monthly benefit to you even if the total amount paid from the insurance company is greater than the total that was in your Account. Other payment forms may be available to a Surviving Spouse but not available to all Beneficiaries. These include:

- Fixed monthly or annual payments over your expected lifetime.
- Monthly Installment payments for a fixed period of years. (This is the payment form option displayed on your Combined Quarterly Statement.)
- Monthly or annual Installment payments of a fixed benefit amount.
- Annual installment payments based on a percentage of your Account balance.
- Quarterly Earned Net Interest payments following each quarterly valuation.
- Lump sum payment of your entire share. (This is the only option if your account balance is less than \$5,000).
- A one-time partial payment with the remaining balance remaining unpaid until you re-qualify.
- A rollover of your Account to another tax qualified retirement account (if your account balance is \$5,000 or more).
- Different types of Beneficiaries have different payment options available under the Plan.
  - **Surviving Spouses** may elect any form of payment otherwise available to the Participant.
  - **Eligible Designated Beneficiaries** who are either “**not more than 10 years younger than the Participant**”, “**totally and permanently disabled**” or “**chronically ill**” (including the “total and permanently disabled” and “chronically ill” who are part of an Applicable Multi-Beneficiary Trust) may elect a life annuity or payments over his or her life expectancy (*if elected by September 30<sup>th</sup> of the Calendar Year in which distributions would be required to begin*), or a lump sum.
  - **All other Beneficiaries** -- Eligible Designated Beneficiaries who are minor children, Designated Beneficiaries who are more than 10 years younger than the Participant, and Non-Designated Beneficiaries - must elect a lump sum.

Please see the following Annuity Fund Payment Options Table for more information on the payment options.

### Annuity Fund Payment Options Table

| Based on a \$200,000 Account Balance  |   |   |   |   |
|---|---|---|---|---|
| Payment Options   | Amount of Payment   |   | Eligibility Conditions  | Financial Effect of Electing  |
|   | At Age 55   | At Age 62   |   |   |
| Life Annuity  | \$896.67 per month  | \$1,057.59 per month  | Default form of payment for an unmarried Participant. If married, your Spouse must agree to this form of payment. | Calculation prepared using 3% interest rate and average life expectancy. Your actual monthly payment may differ from this example and would depend on your age and interest rate at the time of retirement. After your lifetime, no further benefits are payable. |
| Lump Sum Payment  | \$200,000   | \$200,000   | Optional form of payment for a Surviving Spouse and some Beneficiaries.   | Assumed account balance based on reasonable estimates provided by the Plan Consultants for average work hours, years of service and average investment returns. Once distributed, no further benefits are payable by the Plan.                                    |
| Periodic Payments   | \$1,102.43 per month for 240 months                             | \$1,102.43 per month for 240 months                             |   | Using the example of a \$200,000 account balance, assuming monthly payments over 20 years (240 months). Once distributed, no further benefits are payable by the Plan.  |
| Lump Sum followed by Periodic Payments  | \$50,000 Lump Sum followed by \$826.82 per month for 240 months | \$50,000 Lump Sum followed by \$826.82 per month for 240 months |   | Using the example of a \$200,000 account balance, assuming a Lump Sum Payout of \$50,000, following by monthly payments over 20 years (240 months). Once distributed, no further benefits are payable by the Plan.  |
| This table contains generally applicable information, based on reasonable estimates provided by the Plan Consultants for age, age of spouse, average work hours, years of service and average investment returns. Your actual amounts may differ, depending on your age, your health status, your spouse's age (if married), health status and current interest rates at the time of your retirement among other factors. You have the right to request and be provided additional information regarding your specific benefits under the Plan, based on actual (rather than hypothetical) information. |   |   |   |   |

### Notice of the Right to Defer Distribution of Your Individual Account

You may defer distribution of your Individual Account until April 1 of the calendar year following the year you attain age 72. (Please see Question & Answer 19 on page 11 of the Summary Plan Description). As long as your Account remains active, it will continue to be credited with investment earnings/losses, adjusted for changes in market value of the Annuity Fund's investments and charged with a per capita Administrative Expense Charge each quarter (February 28, May 31, August 31, November 30). (Please see Question & Answer 4 on page 3 of the Summary Plan Description). The Administrative Expense Charge is calculated by taking the total of all non-investment expenses over the period, and dividing by the number of Individual Accounts in existence for that Quarter.

The Board of Trustees employs professional investment managers to invest the assets in your Individual Account. You may obtain a list of these investment managers and information about their fees and historical returns by requesting this information from the Fund Office in writing. Qualified Participants also have the option of selecting their own investment options from a select group of mutual funds. (Please see Question & Answer 7 on page 4 of the Summary Plan Description). To become a qualified Participant, you must participate in a special educational program where you can learn more about selecting your own investment options and the investment management fees associated with each investment option. Contact the Fund Office for more information regarding the educational program at Toll Free: (888) 547-2054, Direct Dial: (510) 633-0333 or [benefitservices@carpenterfunds.com](mailto:benefitservices@carpenterfunds.com).

## Step 1

### Who is Applying for Benefits?

Please print or type the information requested below about yourself and the Participant.

#### SURVIVING SPOUSE OR BENEFICIARY INFORMATION

|   |           |         |     |
|---|-----------|---------|-----|
| NAME (Last, First, Middle)              |           | PHONE # |     |
| ADDRESS                                 | CITY      | STATE   | ZIP |
| CFAO ID#, SOCIAL SECURITY #, or UBC ID# | BIRTHDATE |         |     |

#### PARTICIPANT INFORMATION

|  |                                      |
|--|--------------------------------------|
| PARTICIPANT'S NAME (Last, First, Middle) | PARTICIPANT'S SOCIAL SECURITY NUMBER |
| PARTICIPANT'S BIRTHDATE                  |                                      |

#### Type of Beneficiary

- ☐ Surviving Spouse
- ☐ Eligible Designated Beneficiary “not more than 10 years younger than the Participant”
- ☐ Eligible Designated Beneficiary “totally and permanently disabled”
- ☐ Eligible Designated Beneficiary “chronically ill” (including the “total and permanently disabled” and “chronically ill” who are part of an Applicable Multi-Beneficiary Trust)
- ☐ Minor Child Eligible Designated Beneficiary
- ☐ Designated Beneficiary who is more than 10 years younger than the Participant
- ☐ Non-Designated Beneficiary

If you are the Spouse of the deceased Participant, please proceed to Page 4. ➤

If you are not the Spouse of the deceased Participant, please proceed to Page 7. ➤

|                                   |                                |
|-----------------------------------|--------------------------------|
| Surviving Spouse's Name (Printed) | CFAO ID# or Social Security #: |
|                                   |                                |

## Step 2 Select Your Payment Form

**If you are not the Spouse of the deceased Participant, please skip to Page 7.**

If your Accumulated Share is less than \$5,000, benefits will be paid as a lump sum payment. If you are unmarried, your Accumulated Share will be paid to you in the form of a single life annuity, unless you elect another form of benefit. It is your right to elect or waive this form of payment. Explanations of the terms and conditions of the single life annuity, the Joint and 50% Survivor Annuity and the other payment forms are provided below.

**Instead of the single life annuity, I wish to waive my rights and have my Accumulated Share paid as follows:**

**Installment Payments** Completion of this section is not required if you chose to rollover your entire account.

**FIXED PAYMENT over my expected lifetime:**

☐ After an initial payment of \$ \_\_\_\_\_ (Enter a number of \$0 or greater and select one of the following):

☐ I elect to have my account distributed to me in (select monthly or annual)

☐ **Monthly** installments over my expected lifetime. ☐ **Annual** installments over my expected lifetime.

**I understand that the number of benefit payments that I will receive is not certain, and that my election of this option does not guarantee that my actual benefit payments will last my entire lifetime.** I further understand that while payments are being made from my Accumulated Share, my unpaid account balance will continue to share in investment earnings and/or losses and expenses of the Trust Fund. **This may reduce or increase the number of installment payments that I receive.** If my Accumulated Share depletes prior to my death, no additional payments will be made. In the event of my death, any unpaid balance will be available to my Beneficiary(ies).

**FIXED BENEFIT Amount:**

☐ I elect to have my account distributed to me in (select one):

☐ **Monthly** Installments of \$ \_\_\_\_\_ until my Account has been depleted.

☐ **Annual** Installments of \$ \_\_\_\_\_ until my Account has been depleted.

**FIXED PERIOD of Time:**

☐ I elect to have my account distributed to me in monthly installments over 20 years as shown on my most recent Quarterly Statement.

☐ I elect to have my account distributed to me in monthly installments over a period of \_\_\_\_ years or until my account balance depletes, whichever comes first.

**I understand that the amount of monthly installments adjusts annually based on the remaining balance in my Account.**

**Quarterly Net Interest Earnings**

☐ Following an initial lump sum payment of \$ \_\_\_\_\_, I elect to have the interest earned on the remainder of my Accumulated Share Account paid to me thereafter following each quarterly valuation of the Trust Fund in which a gain is posted.

**I understand that if a quarterly valuation determines that the Annuity Fund experienced a loss then no quarterly payment will be made for that valuation.** I further understand that any remaining balance will be paid in accordance with IRS minimum distribution requirements on and after the earlier of: (1) the Valuation Date immediately before my Required Beginning Date, or (2) the Valuation Date immediately following the last full payment I receive.

|  |                                       |
|--|---------------------------------------|
| <b>Surviving Spouse's Name (Printed)</b> | <b>CFAO ID# or Social Security #:</b> |
|  |                                       |

#### Payment Form Options (Continued)

**Rollovers:** Direct Rollover into a Traditional IRA or an Eligible Retirement Plan that Accepts Rollovers

In addition to selecting an option below, **also complete Page 6, if electing a Direct Rollover.**

- ☐ I elect to rollover my entire Accumulated Share Account.
- ☐ I elect to rollover the amount of \$\_\_\_\_\_ from my Accumulated Share Account. My remaining balance will remain unpaid until I re-qualify to withdraw it.
- ☐ I elect to rollover the amount of \$\_\_\_\_\_ from my Accumulated Share Account and the remaining balance paid in Installment Payments. **Complete the "Installment Payments" section above.**
- ☐ After a **lump sum** payment paid to me from my Accumulated Share Account in the amount of \$\_\_\_\_\_. I elect to rollover the remainder of my Accumulated Share.

#### **Lump Sum Payments**

- ☐ I elect to have a partial payment from my Accumulated Share Account in the amount of \$\_\_\_\_\_ with the remaining balance remaining unpaid until I re-qualify to withdraw it.
- ☐ I elect to have a Lump Sum of my entire Accumulated Share Account paid to me. (This is the required option if your Account balance is less than \$5,000.)

**Self-Directed Accounts:** If all or part of your Individual Account is Self-Directed and held at John Hancock Retirement Plan Services, funds will be transferred from your Self-Direct John Hancock Retirement Services account, to the Carpenters Annuity Trust Fund to satisfy your payment request, provided you qualify for withdrawal due to Retirement at this time.

Please contact the Trust Fund Office if you desire any other action.

#### **Annuity Payment Options Election Form**

Unless you elect otherwise, if your accumulated share account is more than \$5,000, you will automatically receive your benefit as a single life Survivor Annuity. If you elect to exercise your right to the single life annuity, your Accumulated Share Account will be paid to you as an annuity from an insurance company. This is the only form of payment under the terms of the Plan guaranteed to provide benefit payments to you for the rest of your life.

Please see examples on page 2 of what the single life annuity might look like for various combinations of age, assumed interest rate, and mortality assumptions. To get a quote for your actual circumstances, you can request a quote.

If you would like to receive a quote for the Insured Annuity Payment Option, complete the Annuity Payment Options Election Form:

- Your request will be sent to the insurance company. The insurance company will calculate the estimated monthly Annuity benefit amount.
  - The Annuity Estimate Form will be sent to you for review and your decision whether or not to accept the proposal.
  - If you choose to proceed with this option, your entire Accumulated Share will be paid to the insurance company to purchase the Annuity benefit and the exact monthly payment amount will then be determined.
  - **Please note that once the Annuity has been purchased, your election is irrevocable and cannot be changed.**
  - **Upon election, estimates of your monthly benefit will be provided.**
- ☐ **LIFE ANNUITY:** Equal monthly payments beginning at your retirement and continuing for your lifetime.

## **Instructions for a Transfer of Eligible Rollover for Surviving Spouses**

PLEASE MAKE PAYMENT OF MY BENEFITS ON MY BEHALF TO:

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Name of Receiving Investment Facility

Account Number

A copy of the “eligible” transfer/rollover request from your investment facility must be included with this Application. The following information must be included in the rollover acceptance letter from the investment facility:

- Addressed to the “Carpenters Annuity Trust Fund for Northern California”;
- The investment facility tax identification number; and
- Dated signatures of both an agent for the investment facility and the Participant; and
- Specific mailing instructions for the check; and.
- Type of account receiving rollover.

### **CERTIFICATION**

If you have elected a Direct Rollover of all or part of your benefit, please read and sign the following statement:

I certify that the recipient of a Direct Rollover, named above, is a traditional IRA or an eligible retirement plan that accepts rollovers. I understand that payment of my benefits to the Trustee of the traditional IRA or eligible retirement plan that accepts rollovers will release the Trustees of the Carpenters Annuity Trust Fund for Northern California from any further obligations or responsibilities with respect to the benefits paid.

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Surviving Spouse’s Signature

Date

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Printed Surviving Spouse Name Social Security #

### **Form of Payments for Beneficiaries Only**

- ☐ A **Direct Rollover** of the Participant's entire Accumulated Share into either an Individual Retirement Account (IRA) or an Individual Retirement Annuity specifically established to receive this type of payment ("inherited IRA").

Refer to the *Special Notice Regarding Plan Payment* for additional information regarding rollovers. If you have any questions, please consult your tax advisor.

- ☐ I elect to have a **lump sum** of my entire Accumulated Share Account paid to me. (This is the required option if your Account balance is less than \$5,000.)
- ☐ After a **lump sum** payment paid to me from the Participant's Accumulated Share paid to me in the amount of \$\_\_\_\_\_, with the remainder of the Participant's Accumulated Share rolled over into either an Individual Retirement Account (IRA) or an Individual Retirement Annuity specifically established for the purpose of receiving this type of payment ("inherited IRA").

Additional Forms of Payment available to **Eligible Designated Beneficiaries** who are either "**not more than 10 years younger than the Participant**", "**totally and permanently disabled**" or "**chronically ill**" (including the "total and permanently disabled" and "chronically ill" who are part of an Applicable Multi-Beneficiary Trust)

- ☐ I elect to have payments over my life expectancy ☐ I elect to have a life annuity

Note: These two payment forms must be *elected by September 30<sup>th</sup> of the Calendar Year in which distributions would be required to begin*

### **Instructions for a Transfer of Eligible Rollover for Beneficiaries**

**Note: If transferring to more than one investment facility**, please complete an "INSTRUCTIONS FOR A TRANSFER OF ELIGIBLE ROLLOVER" for each transfer/facility.

**PLEASE MAKE PAYMENT OF MY BENEFITS ON MY BEHALF TO:**

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**Name of Receiving Investment Facility**

**Account Number**

A copy of the "eligible" transfer/rollover request from your investment facility must be included with this Application. The following information must be included in the rollover acceptance letter from the investment facility:

- Addressed to the "Carpenters Annuity Trust Fund for Northern California";
- The investment facility tax identification number; and
- Dated signatures of both an agent for the investment facility and the Participant; and
- Specific mailing instructions for the check; and
- Type of account receiving rollover.

### **CERTIFICATION**

If you have elected a Direct Rollover of all or part of your benefit, please read and sign the following statement:

*I certify that the recipient of a Direct Rollover, named above, is a traditional IRA or an eligible retirement plan that accepts rollovers. I understand that payment of my benefits to the Trustee of the traditional IRA or eligible retirement plan that accepts rollovers will release the Trustees of the Carpenters Annuity Trust Fund for Northern California from any further obligations or responsibilities with respect to the benefits paid.*

### **IMPORTANT**

- ☐ I have elected a **Direct Rollover** into an Individual Retirement account or Individual Retirement annuity specifically established for the purpose of receiving this type of payment ("inherited IRA").

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**Beneficiary Signature**

**Date**

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**(PRINT) Beneficiary Name**

**Social Security #**

## Step 3

# Tax Information & Withholding Elections

## Special Notice Regarding Plan Payments

### YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the Carpenters Annuity Trust Fund for Northern California (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information about Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

### **GENERAL INFORMATION ABOUT ROLLOVERS**

#### **How can a rollover affect my taxes?**

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

#### **What types of retirement accounts and plans may accept my rollover?**

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover.

The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

#### **How do I do a rollover?**

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do **not** do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment distributed to you for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire pre-tax amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

#### **How much may I roll over?**

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70½ (or after death);
- Hardship distributions;
- ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution; and
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

#### **If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?**

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must report as part of your taxable income and is in addition to the regular income tax on the payment not rolled over.



The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments up to the amount of your deductible medical expenses that exceed 7.5% of your adjusted gross income (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days; Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution;
- Payments for certain distributions relating to certain federally declared disasters; and
- Phased retirement payments made to federal employees.

#### **If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?**

If you do a rollover to an IRA and then receive a payment from an IRA while you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must report as taxable income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).

- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

#### **Will I owe State income taxes?**

This notice does not describe any State or local income tax rules (including withholding rules).

#### **SPECIAL RULES AND OPTIONS**

##### **If your payment includes after-tax contributions**

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over and the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental Section

457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

#### **If you miss the 60-day rollover deadline**

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

#### **If your payment includes employer stock that you do not roll over**

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

#### **If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset.

Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days

from the date the offset occurs to complete your rollover.

#### **If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

#### **If your payment is from a governmental section 457(b) plan**

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA).

However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences include that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

#### **If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance**

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

#### **If you roll over your payment to a Roth IRA**

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000)

and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

#### **If you do a rollover to a designated Roth account in the Plan**

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account.

However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

#### **If you are not a Plan participant**

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

#### **If you are a surviving spouse**

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same

rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

#### **If you are a surviving beneficiary other than a spouse.**

If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

#### **If you are a nonresident alien**

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

#### **Other special rules**

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may

have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at [www.irs.gov](http://www.irs.gov).

#### **FOR MORE INFORMATION**

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

## Step 4 Sign Up for Direct Deposit

The undersigned hereby authorizes the Carpenters Annuity Trust Fund for Northern California to make credit entries, and *if necessary, to make debit entries as adjustments for any credit in error*, to my bank account indicated below. I also authorize accordingly my financial institution indicated below to credit and/or debit the same to such account.

**Authorization Information:** I hereby authorize Carpenters Annuity Trust Fund for Northern California to directly deposit my benefit payment(s) via electronic funds transfer into my:

- ☐ Checking Account (You must attach below a voided check from your checking account.)  
☐ Savings Account (You must attach below a deposit slip with routing number from your savings account.)

PLEASE NOTE: If you do not have the required documents to attach below, you can provide a bank stamp from your financial institution indicating your name, account number, routing number and the type of account (checking or savings).

This authority is to remain in full force and effect until the Carpenters Annuity Trust Fund for Northern California has received written notification from me of its termination in such time and in such manner as to afford the Trust Fund Office and my Financial Institution a reasonable opportunity to act on it.

### Account Information

Attach a voided check or deposit slip from your financial institution indicating your account number, routing number and the type of account (checking or savings).

A diagram of a voided check. Labels point to the following fields: NAME, ADDRESS, CITY, STATE, ZIP; DATE; 0123 01-23456789; PAY TO THE ORDER OF; \$; BANK NAME, ADDRESS, CITY, STATE, ZIP; FOR; 100 123456789 012345678901234 0123; Bank Routing Number; Bank Account Number; Check Number.

A diagram of a deposit slip. Labels point to the following fields: NAME, ADDRESS, CITY, STATE, ZIP; DATE; DEPOSIT (MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL); SIGN HERE FOR CASH RECEIVED (IF REQUIRED); BANK TOTAL; LESS CASH WITHDRAWN; \$; BANK NAME, ADDRESS, CITY, STATE, ZIP; 100 123456789 012345678901234; Bank Routing Number; Bank Account Number.

### PLEASE READ THIS CAREFULLY

All information on this form is required. The information is confidential, needed to prove entitlement to payment and will be used to process payment data from the Carpenters Annuity Trust Fund to the financial institution and/or its agent. Failure to provide the requested information may affect the processing of this form and may delay or prevent the receipt of payments through the Direct Deposit/Electronic Funds Transfer Program.

### SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS:

Joint account holders should immediately advise both the Carpenters Annuity Trust Fund and the financial institution of the death of a retiree. Funds deposited after the date of death or ineligibility are to be returned to the Annuity Fund. The Carpenters Annuity Fund will then make a determination regarding the survivor rights, calculate survivor benefit payments, if any, and begin payments. Under the terms of the Annuity Plan and the Trust Agreement establishing the Annuity Fund, the Trustees are entitled to recover any and all overpayments of Annuity benefits from the retiree, the beneficiary and/or the estate of the retiree. In the event that the Annuity Fund is not timely notified of the retiree's death, the Annuity Fund will have no alternative but to recover any amounts overpaid from the retiree's estate or beneficiaries.

**CANCELLATION:** The agreement represented by this authorization remains in effect until cancelled by the recipient by written notice to the Carpenters Annuity Trust Fund or by death or legal incapacity of the recipient.

### CHANGING RECEIVING FINANCIAL INSTITUTIONS:

The payee's Direct Deposit will continue to be received by the selected financial institution until the Carpenters Annuity Trust Fund is notified by the payee that the payee wishes to change the financial institution receiving the Direct Deposit. To effect this change, the payee will complete a new Direct Deposit Form for the newly selected financial institution. It is recommended that the payee maintain accounts at both financial institutions until the transition is complete, i.e. after the new financial institution receives the payee's Direct Deposit payment.

### FALSE STATEMENTS OR FRAUDULENT CLAIMS:

Federal law provides a fine of not more than \$10,000 or imprisonment for not more than five (5) years or both for presenting a false statement or making a fraudulent claim.

## Step 5

## Review Your Application, Sign it and Submit it

### Your Acknowledgement of Tax Liability

As part of your application to withdraw money from your Accumulated Share, you must acknowledge that there may be tax consequences involved with your withdrawal. Please read the following statements. Your signature acknowledges that you have read and understand the following statements and understand the following:

- The Carpenters Annuity Trust Fund for Northern California ("Fund") is a defined contribution pension plan.
- I understand that there may be tax consequences involved when I withdraw money from my Accumulated Share.
- I understand that I am solely responsible for the payment of all taxes and/or tax penalties associated with my withdrawal from my Accumulated Share Account and hold the Fund harmless for any taxes and/or penalties that I may owe as a result of my withdrawal. Additionally, I have reviewed the *Special Notice Regarding Plan Payments* and understand that this Notice is not tax advice and it is my responsibility to seek tax advice from a qualified tax advisor.
- I understand that the Fund may be required by law to withhold Federal income tax from certain types of withdrawals that I may make from the Fund.
- I understand that I may voluntarily request that additional Federal income taxes be withheld above and beyond the amount that the Fund is required to withhold by law.
- I understand that, when the Fund does withhold taxes, such tax withholding may not satisfy my entire tax liability and that I may owe additional Federal, and/or State, and/or Local taxes and/or possible tax penalties.
- I understand that, even though Federal taxes may be withheld, I may owe additional Federal, and/or State, and/or Local taxes and/or possible tax penalties.
- I understand that it is solely my responsibility to satisfy my tax and tax penalty obligations associated with my withdrawal from my Accumulated Share.
- I understand that it is also my responsibility to seek appropriate advice from a qualified tax advisor.

### Signature Section

With this Application you acknowledge that you have provided all requested information and wish to apply for Withdrawal of your Accumulated Share Account at this time and have read and understand this application for withdrawal, including the "Notice of [your] Right to Defer Distribution of [your] Individual Account."

You understand that any fraudulent information or proof that you furnish with this Application will be sufficient reason for denial, suspension or discontinuance of benefits from the Plan, except such benefits as are non-forfeitable, and that in any case the Board of Trustees has the right to recover any benefit payments made in reliance on this application. You further understand that if you disagree with the action taken on this application, you may request a review of such action by the Board in accordance with Section 5 of the Plan.

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**Surviving Spouse or Beneficiary's Signature**

**Date**

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**Print Name**

**Social Security No.**

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You have reached the end of your Application for Withdrawal.

**Please review your Application to ensure that you have completed all required items and included all required documents.**

Should you have any questions regarding your Application, please contact Benefit Services at (888) 547-2054 or [benefitservices@carpenterfunds.com](mailto:benefitservices@carpenterfunds.com).

Mail completed applications to:

**Carpenters Annuity Trust Fund for Northern California**  
**PO Box 2380**  
**Oakland CA 94614-0380**

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## **Step 6**

## **Optional: Elect Tax Withholding**

On the following pages, we've included the following forms for your convenience if you would like to elect specific withholding from your benefit payment(s) if your request for withdrawal is approved:

- **W4-R Withholding Certificate for Nonperiodic Payments** – Applicable to lump sum payments, or payments lasting less than 10 years.
- **W4-P Withholding Certificate for Periodic Payments** lasting more than 10 years – Completion of this form is **recommended**.
- **DE-4P Withholding Certificate for State Tax** withholding for California residents

Note: Your election of a particular payment form may affect how much money must be withheld from your payment(s) and your tax liability. The Fund Office cannot advise you on these matters and you should consult with a person tax advisor with any questions.

# Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions

OMB No. 1545-0074

**2023**

► Give Form W-4R to the payer of your retirement payments.

|   |           |                                  |
|---|-----------|----------------------------------|
| <b>1a</b> First name and middle initial | Last name | <b>1b</b> Social security number |
|---|-----------|----------------------------------|

Address

City or town, state, and ZIP code

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories.

- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

|   |          |   |
|---|----------|---|
| <b>2</b> Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals) . . . . . ► | <b>2</b> | % |
|---|----------|---|

|                    |  |   |             |
|--------------------|--|---|-------------|
| <b>Sign Here</b> ► | <b>Your signature</b> (This form is not valid unless you sign it.) | ► | <b>Date</b> |
|--------------------|--|---|-------------|

## General Instructions

Section references are to the Internal Revenue Code.

**Future developments.** For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to [www.irs.gov/FormW4R](http://www.irs.gov/FormW4R).

**Purpose of form.** Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular

intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

**Caution:** If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

## 2023 Marginal Rate Tables

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

| Single<br>or<br>Married filing separately |                                | Married filing jointly<br>or<br>Qualifying widow(er) |                                | Head of household  |                                |
|---|--------------------------------|--|--------------------------------|--------------------|--------------------------------|
| Total income over—                        | Tax rate for every dollar more | Total income over—                                   | Tax rate for every dollar more | Total income over— | Tax rate for every dollar more |
| \$0                                       | 0%                             | \$0  | 0%                             | \$0                | 0%                             |
| \$13,850                                  | 10%                            | \$27,700   | 10%                            | \$20,800           | 10%                            |
| \$23,850                                  | 12%                            | \$49,700   | 12%                            | \$36,500           | 12%                            |
| \$58,575                                  | 22%                            | \$117,150  | 22%                            | \$80,650           | 22%                            |
| \$109,225                                 | 24%                            | \$218,450  | 24%                            | \$116,150          | 24%                            |
| \$195,950                                 | 32%                            | \$391,900  | 32%                            | \$202,900          | 32%                            |
| \$245,100                                 | 35%                            | \$490,200  | 35%                            | \$252,050          | 35%                            |
| \$591,975*                                | 37%                            | \$721,450  | 37%                            | \$598,900          | 37%                            |

If married filing separately, use \$360,725 instead for this 37%



(c) ☐ **Single or Married filing separately**  
☐ **Married filing jointly or Qualifying widow(er)**  
☐ **Head of household** (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)

Form **W-4P** (2023)

## General Instructions

Section references are to the Internal Revenue Code.

**Future developments.** For the latest information about any future developments related to Form W-4P, such as legislation enacted after it was published, go to [www.irs.gov/FormW4P](http://www.irs.gov/FormW4P).

**Purpose of form.** Complete Form W-4P to have payers withhold the correct amount of federal income tax from your periodic pension, annuity (including commercial annuities), profit-sharing and stock bonus plan, or IRA payments. Federal income tax withholding applies to the taxable part of these payments. Periodic payments are made in installments at regular intervals (for example, annually, quarterly, or monthly) over a period of more than 1 year. Don't use Form W-4P for a nonperiodic payment (note that distributions from an IRA that are payable on demand are treated as nonperiodic payments) or an eligible rollover distribution (including a lump-sum pension payment). Instead, use Form W-4R, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions, for these payments/distributions. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

**Choosing not to have income tax withheld.** You can choose not to have federal income tax withheld from your payments by writing "No Withholding" on Form W-4P in the space below Step 4(c). Then, complete Steps 1a, 1b, and 5. Generally, if you are a U.S. citizen or a resident alien, you are not permitted to elect not to have federal income tax withheld on payments to be delivered outside the United States and its possessions.

**Caution:** If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. If your tax situation changes, or you chose not to have federal income tax withheld and you now want withholding, you should submit a new Form W-4P.

**Self-employment.** Generally, you will owe both income and self-employment taxes on any self-employment income you (or you and your spouse) receive. If you do not have a job and want to pay these taxes through withholding from your payments, you should enter the self-employment income in Step 4(a). Then compute your self-employment tax, divide that tax by the number of payments remaining in the year, and include that resulting amount per payment in Step 4(c). You can also add half of the annual amount of self-employment tax to Step 4(b) as a deduction. To calculate self-employment tax, you generally multiply the self-employment income by 14.13% (this rate is a quick way to figure your self-employment tax and equals the sum of the 12.4% social security tax and the 2.9% Medicare tax multiplied by 0.9235). See Pub. 505 for more information, especially if your self-employment income multiplied by 0.9235 is over \$160,200.

**Payments to nonresident aliens and foreign estates.** Do not use Form W-4P. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

**Tax relief for victims of terrorist attacks.** If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, write "No Withholding" in the space below Step 4(c). See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

## Specific Instructions

**Step 1(c).** Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

**Step 2.** Use this step if you have at least one of the following: income from a job, income from more than one pension/annuity, and/or a spouse (if married filing jointly) that receives income from a job/pension/annuity. The following examples will assist you in completing Step 2.

**Example 1.** Bob, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Bob also has a job that pays \$25,000 a year. Bob has no other pensions or annuities. Bob will enter \$25,000 in Step 2(b)(i) and in Step 2(b)(iii).

If Bob also has \$1,000 of interest income, which he entered on Form W-4, Step 4(a), then he will instead enter \$26,000 in Step 2(b)(i) and in Step 2(b)(iii). He will make no entries in Step 4(a) on this Form W-4P.

**Example 2.** Carol, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Carol does not have a job, but she also receives another pension for \$25,000 a year (which pays less annually than the \$50,000 pension). Carol will enter \$25,000 in Step 2(b)(ii) and in Step 2(b)(iii).

If Carol also has \$1,000 of interest income, then she will enter \$1,000 in Step 4(a) of this Form W-4P.

**Example 3.** Don, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Don does not have a job, but he receives another pension for \$75,000 a year (which pays more annually than the \$50,000 pension). Don will not enter any amounts in Step 2.

If Don also has \$1,000 of interest income, he won't enter that amount on this Form W-4P because he entered the \$1,000 on the Form W-4P for the higher paying \$75,000 pension.

**Example 4.** Ann, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Ann also has a job that pays \$25,000 a year and another pension that pays \$20,000 a year. Ann will enter \$25,000 in Step 2(b)(i), \$20,000 in Step 2(b)(ii), and \$45,000 in Step 2(b)(iii).

If Ann also has \$1,000 of interest income, which she entered on Form W-4, Step 4(a), she will instead enter \$26,000 in Step 2(b)(i), leave Step 2(b)(ii) unchanged, and enter \$46,000 in Step 2(b)(iii). She will make no entries in Step 4(a) of this Form W-4P.

If you are married filing jointly, the entries described above do not change if your spouse is the one who has the job or the other pension/annuity instead of you.



**Multiple sources of pensions/annuities or jobs.** If you (or if married filing jointly, you and/or your spouse) have a job(s), do NOT complete Steps 3 through 4(b)

on Form W-4P. Instead, complete Steps 3 through 4(b) on the Form W-4 for the job. If you (or if married filing jointly, you and your spouse) do not have a job, complete Steps 3 through 4(b) on Form W-4P for **only** the pension/annuity that pays the most annually. Leave those steps blank for the other pensions/ annuities.

**Step 3.** This step provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 501, Dependents, Standard Deduction, and Filing Information. You can also include **other tax credits** for which you are eligible in this step, such as the foreign tax credit and the education tax credits. Including these credits will increase your payments and reduce the amount of any refund you may receive when you file your tax return.

Specific Instructions (continued)

Step 4 (optional).

**Step 4(a).** Enter in this step the total of your other estimated income for the year, if any. You shouldn't include amounts from any job(s) or pension/annuity payments. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than having tax on other income withheld from your pension, see Form 1040-ES, Estimated Tax for Individuals.

**Step 4(b).** Enter in this step the amount from the Deductions Worksheet, line 6, if you expect to claim deductions other than the basic standard deduction on your 2022 tax return and want to reduce your withholding to account for these deductions. This includes itemized deductions, the additional standard

deduction for those 65 and over, and other deductions such as for student loan interest and IRAs.

**Step 4(c).** Enter in this step any additional tax you want withheld from **each payment**. Entering an amount here will reduce your payments and will either increase your refund or reduce any amount of tax that you owe.

**Note:** If you don't give Form W-4P to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer will withhold tax from your payments as if your filing status is single with no adjustments in Steps 2 through 4. For payments that began before 2022, your current withholding election (or your default rate) remains in effect unless you submit a new Form W-4P.

Step 4(b)—Deductions Worksheet (Keep for your records.)



1

Enter an estimate of your 2023 itemized deductions (from Schedule A (Form 1040)). Such deductions may include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 7.5% of your income . . . . .

1

\$

2

Enter: 

• \$27,700 if you're married filing jointly or qualifying surviving spouse

• \$20,800 if you're head of household

• \$13,850 if you're single or married filing separately

 . . . . .

2

\$

3

If line 1 is greater than line 2, subtract line 2 from line 1 and enter the result here. If line 2 is greater than line 1, enter "-0-" . . . . .

3

\$

4

If line 3 equals zero, and you (or your spouse) are 65 or older, enter:

• \$1,850 if you're single or head of household.

• \$1,500 if you're married filing separately.

• \$1,500 if you're a qualifying surviving spouse or you're married filing jointly and one of you is under age 65.

• \$3,000 if you're married and both of you are age 65 or older.

 . . . . .

4

\$

5

Otherwise, enter "-0-". See Pub. 505 for more information . . . . .

5

\$

6

Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments (from Part II of Schedule 1 (Form 1040)). See Pub. 505 for more information. . . . .

5

\$

6

Add lines 3 through 5. Enter the result here and in **Step 4(b)** on Form W-4P . . . . .

6

\$

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request federal income tax withholding from pension or annuity payments based on your filing status and adjustments; (b) request additional federal income tax withholding from your pension or annuity payments; (c) choose not to have federal income tax withheld, when permitted; or (d) change a previous Form W-4P. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s). Failure to provide a properly completed form will result in your being treated as a single person with no other entries on the form; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may

also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

## Withholding Certificate for Pension or Annuity Payments

|   |   |
|---|---|
| First, Middle, Last Name                        | Social Security Number  |
| Home Address (Number and Street or Rural Route) | Claim or Identification Number (if any) of Your Pension or Annuity Contract |
| City, State and ZIP Code                        |   |

### Complete the following applicable

- I elect not to have income tax withheld from my pension or annuity. (Do not complete lines 2, 3, or 4.) ▶ ☐
- I want my withholding from each pension or annuity payment to be figured using the number of allowances and marital status shown below:
  - Number of allowances you are claiming from the Regular Withholding Allowances (Worksheet A). ☐ 2a \_\_\_\_\_
  - Number of allowances from the Estimated Deductions (Worksheet B). ☐ 2b \_\_\_\_\_

☐ SINGLE or MARRIED (with two or more incomes)    ☐ MARRIED (one income)    ☐ HEAD OF HOUSEHOLD
- I want the following **additional** amount withheld from each pension or annuity payment. **Note:** You cannot enter an amount here without entering the number (including zero) of allowances on line 2b above ▶ \$ \_\_\_\_\_
- I want this designated amount withheld from each pension or annuity payment. (Do not complete lines 1, 2, or 3.) ▶ \$ \_\_\_\_\_

Your Signature ▶

Date ▶

----- Cut Here -----

**Give the top part of this form to the payer of your pension or annuity; keep the lower part for your records.**

**Purpose of Form:** Unless you elect otherwise, state law requires that California Personal Income Tax (PIT) be withheld from payments of pensions and annuities. The marital status and the withholding allowance claimed on your federal Form W-4P can be used to figure your state tax withholding.

The DE 4P allows you to:

- Claim a different number of allowances for California PIT withholding than for federal income tax withholding.
- Elect not to have California PIT withheld from your periodic, or nonperiodic, pension or annuity payments.
- Elect to have California PIT withheld on periodic or nonperiodic payments based on:
  - The number of allowances and marital status specified.
  - A designated dollar amount.
- Change or revoke the DE 4P previously filed.

**Withholding from Pensions and Annuities:** Generally, withholding applies to payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans, from Individual Retirement Arrangements (IRA), and from commercial annuities. Withholding also applies to property other than cash distributed.

In compliance with federal law, California PIT is not to be withheld from pension recipients who reside outside of California.

Periodic and nonperiodic payments from all of the items above are treated as wages for the purpose of withholding.

A periodic payment is one that is includible in your income for tax purposes and that you receive in installments at regular intervals over a period of more than one full year from the starting date of the pension or annuity. The intervals can be annual, quarterly, monthly, etc. For example, if you receive a monthly pension or annuity payment and will continue to receive payments for more than a year, the payments are periodic. However, distributions from an IRA that are payable upon demand are treated as nonperiodic payments.

There are some kinds of periodic and nonperiodic payments for which you cannot use the DE 4P since they are already defined as wages subject to PIT withholding. Your payer should be able to tell you whether the DE 4P will apply.

Your certificate is usually effective 30 days after you file the form. The certificate stays in effect until you change or revoke it.

**Methods of Withholding:** The payer can use one of the following three methods:

- An amount determined by using the California withholding schedules. Payee completes lines 2 and 3 above.
- A dollar amount that you designate. Payee completes line 4 above.
- Ten percent of the amount of federal withholding computed pursuant to section 3405 of the **Internal Revenue Code** (law.cornell.edu/uscode/text/26). Payee completes line 4 above.