

# CENTRAL PENNSYLVANIA TEAMSTERS PENSION FUND

## DEFINED BENEFIT PLAN

### FEDERAL INCOME TAX WITHHOLDING ON MONTHLY PENSION PAYMENTS

Under the federal income tax laws, you have the right to elect not to have any income tax withheld from your monthly pension check if your benefits are payable over your lifetime (or over the joint lives of you and your spouse). All benefits paid by the Defined Benefit Plan will be subject to federal income tax withholding unless you elect otherwise on the election form and return the form to the Fund Office. If you do not make an election, or if you fail to return the election form, the Fund is required to withhold federal income taxes on your monthly pension benefits.

You may elect not to have withholding apply to your monthly pension payments from the Central Pennsylvania Teamsters Pension Fund by returning the enclosed election form, signed and dated, to the Central Pennsylvania Teamsters Pension Fund, PO Box 15223, Reading, PA 19612-5223. Your election will remain in effect until you revoke it. You can change your mind at any time and revoke your election by returning the enclosed election form, signed and dated, to the Central Pennsylvania Teamsters Pension Fund, PO Box 15223, Reading, PA 19612-5223. If you contact the Central Pennsylvania Teamsters Pension Fund, we will send you any additional election forms you may need.

If you do not return an election form to us by the time the first payment of your monthly pension is made to you, we must withhold federal income tax from your monthly pension payments as if you were married and claiming three withholding exemptions.

If you elect not to have federal income tax withheld from your monthly pension payments, or if you do not have enough federal income tax withheld from your monthly pension payments, you may have to pay estimated federal income tax. You may also have to pay penalties if your withholding and estimated federal income payments are less than the Internal Revenue Service requires.

Whether you have to pay federal income tax at all depends on your total taxable income for each year. If you do not owe any federal income tax because your income is too low, then you may not want to have any federal income tax withheld. If you have any questions about your own federal income tax payment obligations, you should consult with your tax advisor. If you have any questions concerning the enclosed election form, please contact the Fund Office at the Central Pennsylvania Teamsters Pension Plan.

## Withholding Certificate for Pension or Annuity Payments

2021

**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.** Form W-4P is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities (including commercial annuities), and certain other deferred compensation. Use Form W-4P to tell payers the correct amount of federal income tax to withhold from your payment(s). You may also use Form W-4P to choose (a) not to have any federal income tax withheld from the payment (except for eligible rollover distributions or for payments to U.S. citizens to be delivered outside the United States or its possessions), or (b) to have an additional amount of tax withheld.

Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution, as explained on pages 2 and 3. Your previously filed Form W-4P will remain in effect if you don't file a Form W-4P for 2021.

### General Instructions

Section references are to the Internal Revenue Code.

Follow these instructions to determine the number of withholding allowances you should claim for pension or annuity payment withholding for 2021 and any additional amount of tax to have withheld. Complete the worksheet(s) using the taxable amount of the payments.

If you don't want any federal income tax withheld (see *Purpose of form*, earlier), you can skip the worksheets and go directly to the Form W-4P below.

**Sign this form.** Form W-4P is not valid unless you sign it.

You can also use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to determine your tax withholding more accurately. Consider using this estimator if you have a more complicated tax situation, such as if you have more than one pension or annuity, a working spouse, or a large amount of income outside of your pensions. After your Form W-4P takes effect, you can also use this estimator to see how the amount of tax you're having withheld compares to your projected total tax for 2021. If you use the estimator, you don't need to complete any of the worksheets for Form W-4P.

Note that 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.

**Filers with multiple pensions or more than one income.** If you have more than one source of income subject to withholding (such as more than one pension or a pension and a job, or you're married filing jointly and your spouse is working), read all of the instructions, including the instructions for the Multiple Pensions/More-Than-One-Income Worksheet, before beginning.

**Other income.** If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you might owe additional tax. See Pub. 505, Tax Withholding and Estimated Tax, for more information. Get Form 1040-ES and Pub. 505 at [www.irs.gov/FormsPubs](http://www.irs.gov/FormsPubs). Or, you can use the Deductions, Adjustments, and Additional Income Worksheet on page 5 or the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to make sure you have enough tax withheld from your payments. If you have income from wages, see Pub. 505 or use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to find out if you should adjust your withholding on Form W-4 or Form W-4P.

**Note:** Social security and railroad retirement payments may be includible in income. See Form W-4V, Voluntary Withholding Request, for information on voluntary withholding from these payments.

### Withholding From Pensions and Annuities

Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans; from individual retirement arrangements (IRAs); and from commercial annuities. The method and rate of withholding depend on (a) the kind of payment you receive; (b) whether the payments are to be delivered outside the United States or its possessions; and (c) whether the recipient is a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a designated Roth account or Roth IRA are nontaxable and, therefore, not subject to withholding. See page 3 for special withholding rules that apply to payments to be delivered outside the United States and payments to foreign persons.

----- Separate here and give Form W-4P to the payer of your pension or annuity. Keep the worksheet(s) for your records. -----

Form <b>W-4P</b> Department of the Treasury Internal Revenue Service	<b>Withholding Certificate for                  Pension or Annuity Payments</b> ▶ For Privacy Act and Paperwork Reduction Act Notice, see page 6.	OMB No. 1545-0074  <b>2021</b>
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Your first name and middle initial	Last name	Your social security number
Home address (number and street or rural route)		Claim or identification number (if any) of your pension or annuity contract
City or town, state, and ZIP code		

**Complete the following applicable lines.**

1 Check here if you **do not want any** federal income tax withheld from your pension or annuity. (Don't complete line 2 or 3.) ▶

2 Total number of allowances and marital status you're claiming for withholding from each **periodic** pension or annuity payment. (You may also designate an additional dollar amount on line 3.) . . . . . ▶

**Marital status:**  Single  Married  Married, but withhold at higher Single rate. (Enter number of allowances.)

3 Additional amount, if any, you want withheld from each pension or annuity payment. (**Note:** For periodic payments, you can't enter an amount here without entering the number (including zero) of allowances on line 2.) . . . . . ▶ \$

Your signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_