

ILWU-PMA BENEFIT PLANS /

International Longshore & Warehouse Union —
Pacific Maritime Association www.benefitplans.org

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ILWU-PMA Pension Plan
ILWU-PMA Welfare Plan

ILWU-PMA Watchmen Pension Plan

TO:

DATE: December 18, 2013

THIS MAILING CONTAINS INFORMATION FOR PENSIONERS, SURVIVING SPOUSES AND ALTERNATE PAYEES UNDER THE ILWU-PMA PENSION PLAN OR THE ILWU-PMA WATCHMEN PENSION PLAN AND PENSIONERS AND BENEFICIARIES RECEIVING MEDICARE PART B REIMBURSEMENT UNDER THE ILWU-PMA WELFARE PLAN.

1099-R FORM Your tax Form 1099-R reflecting the total amount of pension payments issued in 2013 and the amount of federal income tax withheld, if any, will be distributed in a separate mailing before January 31, 2014.

Watchmen pensioners who receive benefit payments either from Lincoln National Life Insurance Company or Allstate Life Insurance Company will receive tax Form 1099-R from the insurance company for payments issued in 2013. The information provided below regarding normal and disability pensions is applicable to Lincoln National and Allstate payments.

NORMAL AND DISABILITY PENSIONS These payments are considered ordinary income for tax purposes by the IRS. Your Form 1099-R will show the total amount of pension payments issued in 2013 in **Box 1** and the taxable amount of such payments in **Box 2a**. The amount of federal income tax withheld, if any, is shown in **Box 4**. **Box 7** shows an IRS code which identifies the type of pension (distribution) you received. Recipients will be required to attach Form 1099-R to their returns if Federal income tax withholding is shown in **Box 4**. A sample of a blank Form 1099-R appears on the reverse side of this page for your reference.

Under IRS regulations some disability pensioners may be entitled to claim a tax credit on account of disability. Individual tax advisers or the IRS can assist disability pensioners in determining whether or not they are entitled to such credit.

Federal income taxes are automatically withheld from Pension Plan payments in required amounts unless pensioners elect otherwise. Pensioners who receive their pension payments outside the United States may not elect exemption from withholding. **Withholding election forms are available at the Locals and can be requested from the Benefit Plans office. Elections may be made and revoked as often as desired.** Penalties may be incurred under federal tax rules if sufficient tax is not withheld from pension payments and payments of estimated tax are not adequate.

(over)

CALIFORNIA RESIDENTS ONLY The amount of State income tax withheld, if any, is shown in **Box 12** of Form 1099-R. Recipients will be required to attach Form 1099-R to their returns if California income tax withholding is shown in **Box 12**.

INFORMATION OFTEN REQUESTED BY TAX ADVISERS, LAWYERS, AND THE IRS

MEDICARE PART B PREMIUM REIMBURSEMENTS The Benefit Plans has been advised that under IRS regulations Medicare Part B premium reimbursements are not subject to income tax. Therefore, the amount reimbursed by the Benefit Plans for Medicare Part B premiums is not included on Form 1099-R.

All Pension Plan benefits are employer contributed, with no contribution by the longshoreman, ship clerk, walking boss/foreman, surviving spouse, alternate payee or watchman.

NOTE: THIS BULLETIN IS BEING DISTRIBUTED AS A MATTER OF CONVENIENCE AND IS NOT INTENDED AS TAX ADVICE. YOU SHOULD NOT RELY ON THIS BULLETIN AS TAX ADVICE. ALL QUESTIONS REGARDING TAXES OR TAXABILITY OF BENEFIT PAYMENTS SHOULD BE REFERRED TO YOUR INDIVIDUAL TAX ADVISER OR THE IRS.

SAMPLE		
Form 1099-R <input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0119 2013
1 Gross distribution	2a Taxable amount <div style="text-align: center;">SAMPLE</div>	
2b Taxable amount not determined	Total distribution	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S name, street address, city, state and ZIP code		
SAMPLE		
PAYER'S Federal identification number		RECIPIENT'S identification number
3 Capital gain (included in box 2a)	4 Federal income tax withheld <div style="text-align: center;">SAMPLE</div>	5 Employee contributions/ Designated Roth contributions or insurance premiums
6 Net unrealized appreciation in employer's securities	7 Distribution code(s)	8 Other %
9a Your percentage of total distribution	9b Total employee contributions	
RECIPIENT'S name and street address (incl. apt. no.), city, state and ZIP code		
SAMPLE		
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	12 State tax withheld
13 State/Payer's state no.		14 State distribution
15 Local tax withheld	16 Name of locality	17 Local distribution