

OPERATING ENGINEERS PENSION TRUST

FEDERAL INCOME TAX WITHHOLDING INFORMATION

Dear Participant:

The Tax Equity and Fiscal Responsibility Act of 1952 requires that, starting in 1983, the Fund must withhold federal income tax from your monthly pension payment unless you tell us that you do not want us to withhold the tax.

The law includes a requirement for withholding from any Lump Sum payment as well. The amount to be withheld is 10% unless you reject it.

However, under special rules provided in the law, if you're monthly benefit is less than \$860 we will not withhold federal income taxes unless you ask us to.

You are advised that penalties may be incurred under the estimated tax payment rules if the payments of estimated tax are not adequate and sufficient tax is not withheld from your pension payment.

To make it easy for you to respond, just complete the form on the reverse side of this notice and return it to the Fund Office.

If your benefit is at least \$860 a month and if you do not instruct us otherwise, we will begin withholding federal income taxes from your benefits. As required by the law, we will determine how much to withhold based on IRS tables for income tax withheld from wages, and assume that you are married and entitled to three exemptions.

If you want us to withhold a different amount, you must complete the withholding certificate on the reverse side of this letter.

Whether you have to pay federal income tax depends on the total amount of your taxable income - and remember Social Security benefits may be exempt from federal income tax. This is an important individual financial decision on which you may want to consult with a qualified tax advisor.

You can revoke or change your decision on withholding at any time by filing new forms with the Administrative Office.

If you have any questions, you should call or write the Fund Office.

BOARD OF TRUSTEES
Operating Engineers Pension Trust

OPERATING ENGINEERS PENSION TRUST

FEDERAL INCOME TAX WITHHOLDING ELECTION FORM

(Read the reverse side before you complete this form.)

Indicate which Option you want by marking the appropriate box below:

1. Your Monthly Pension Check:

Do not withhold federal income tax from my pension.

Please withhold federal income tax from my pension.

If you chose to have taxes withheld, complete the following:

Marital Status: Single [] Married []

Total number of exemption allowances claimed _____

OR

The exact amount to be withheld from each pension payment:

\$ _____

2. Your Lump Sum Payment:

<input type="checkbox"/>	Do not withhold federal income tax from my Lump Sum Payment.
<input type="checkbox"/>	Withhold 10% from my Lump Sum Payment.
<input type="checkbox"/>	Withhold a fiat rate of \$ _____ from my Lump Sum Payment.

**If you are single or entitled to additional exemptions permitted by Federal Law, please indicate the number in A1(a) above.

NOTE: Until and unless we receive a withholding certificate from you showing something different, we will assume you are married and entitled to three exemptions, in order to compute the amount of tax that will be withheld from your benefit payment.

Date Signed

Your Signature

Print your Name

Your Social Security Number

Even if you elect not to have Federal Income Tax withheld, you may be liable for payment of Federal Income Tax on your pension. You may also be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate.