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W H I T E P A P E R

Pension Plan Administrators: New Withholding Tables

The IRS has issued IRS Pub. 15-T, *Wage Withholding and Advance Earned Income Credit Payment Tables (For Wages Paid Through December 2009)*. The publication contains new wage-bracket and percentage method withholding tables as well as all other federal withholding tables. The tables are to be implemented as soon as possible, but no later than April 1, 2009. They are effective through December 31, 2009. The same tables were also released in advance in IRS Notice 1036. The tables were revised as a result of the tax credits contained in the American Recovery and Reinvestment Act (P.L. 111-5). Plan administrators are advised, in the newly released IRS Pub. 15-T, to use the new tables for the calculation of income tax withholding on pensions distributions.

Periodic Pension Distributions

Generally, periodic payments are pension or annuity payments made for more than one year that are not eligible rollover distributions. Periodic payments include substantially equal payments made at least once a year over the life of the employee and/or beneficiaries or for 10 years or more. For wage withholding purposes, these payments are treated as if they are wages. Plan administrators figure withholding by using the recipient's Form W-4P, and the federal income tax withholding tables and methods in Pub. 15, Circular E, Employer's Tax Guide. Recipients can elect not to have any income tax withheld.

Your Administration Partner: Today, pension administration companies should provide participants and companies with the services they deserve. However, the "Big Three" firms can be expensive. Atessa Benefits, Inc. provides more customized service at a far greater value than any of the large actuarial firms. We have been administering employee benefits and communicating to these participant groups for 20 years. Our team of actuaries, consultants and administrators are experts in all aspects of employer and public employee benefits. We specialize in measuring risk, determining the financial consequences of risk and communicating the results. Our technologically advanced company can provide the right solution for your employee benefit administration needs. Please contact Debbie Mettenleiter, Marketing Manager, at 858.673.3690 for more information.

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