

# New Roads

A Newsletter for CCCERA Retiree Members

## INCOME TAX REMINDERS FOR 2015 FILING YEAR

As we enter tax filing season, CCCERA wants to remind retirees about their right to increase, decrease, start or stop federal and/or state income tax withholding from their monthly retirement benefit.

You are not required to have federal tax withheld from your monthly payments; however, if you choose to exempt yourself from withholding, you may need to pay any required taxes through other methods, such as quarterly installments. If you reside in the United States you are not required to have federal tax withheld from your monthly payments; however, if you choose to exempt yourself from withholding, you may need to pay any required taxes through other methods, such as quarterly installments. However, there is mandatory withholding on pension payments delivered outside the United States.

Changes can be made at any time by submitting the *Withholding Certificates for Pension Payments Form*, available at [cccera.org/forms](http://cccera.org/forms).

This form allows you to:

- Discontinue federal/state income tax withholding from your monthly retirement allowance.
- Withhold federal/state income tax based on a set number of allowances, a specific marital status, and a specific amount withheld from your monthly pension payment (state filing only).
- Withhold an additional amount from each monthly pension payment.

Changes received before the 20<sup>th</sup> of each month will be effective the following month. If your current withholding elections are good, they will remain in effect and no action is required. If your withholding and estimated tax payments do not adequately meet your tax liabilities, penalties under the estimated tax rules may apply.

### What About State Taxes?

Monthly payments made to CCCERA retirees living in California are subject to California income tax. CCCERA payments to retirees living outside California may not be subject to California income tax, but benefits may be subject to other state taxes. Check with a tax professional or State Department of Revenue for information on your individual tax situation as CCCERA cannot give personal tax advice to members.

### Did You Receive Two 1099R Tax Forms?

There are two reasons why you may receive two 1099R tax forms for the 2015 tax year:

- You turned 59 ½ during 2015 — one 1099R reflects the payments to you for part of the year that you were under 59 ½ and the second 1099R reflects the payments to you for part of the year that you were over 59 ½.
- You retired under the age of 59 ½ and returned to work for your employer within 90 days of your retirement date for part of the year.



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### Visit Our New Website

Launched in October, CCCERA's new website, [cccera.org](http://cccera.org), was redesigned to improve member service. It features an improved search function, mobile capability, and content that is easy to navigate. You'll also find information about your benefits, upcoming COLAs, forms, and more. Sign up for email notifications on the latest happenings at [cccera.org](http://cccera.org) today.

## DEPOSIT YOUR RETIREMENT BENEFITS QUICKER

Want to save a trip to the bank? Set up a direct deposit for your monthly retirement benefit and your check will be automatically deposited into your checking, savings or loan account on the first working day of the next month (see chart to the right).

To set up a direct deposit, print the *Electronic Funds Transfer (EFT) Form* at [cccera.org/forms](http://cccera.org/forms) and return it to CCCERA by the 20<sup>th</sup> of the month. If depositing your funds to a checking account, a voided check must be included.

On the pay date following the receipt of your completed *EFT Form*, a test deposit will be sent to your bank. If there are no issues, your benefits will be deposited into your account the next month and each month thereafter. A *Deposit Advice Form* will then be mailed every month notifying you of each deposit.

If you wish to make changes to your direct deposit, you will need to submit a new *EFT Form*. To stop your direct deposit, you will need to notify CCCERA in writing.

### Retirement Benefit Pay Dates for 2016

January	→	February 1
February		March 1
March		April 1
April		May 2
May		June 1
June		July 1
July		August 1
August		September 1
September		October 3
October		November 1
November		December 1
December	→	January 2, 2017