

Louisiana Sheriffs' Pension & Relief Fund

1225 Nicholson Drive • Baton Rouge, Louisiana 70802
Phone: (225) 219-0500 • (800) 586-9049 • FAX: (225) 219-0521
www.lsprf.com



DATE: January 15, 2014
TO: Benefit Recipients
FROM: Osey McGee, Jr., Executive Director
SUBJECT: Federal Income Tax Withholding Annual Notice

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) requires that we remind you each year that the retirement or beneficiary benefit paid to you by Sheriffs' Pension and Relief Fund is subject to federal income tax.

You can change, start, or stop federal income tax withholding from your Sheriffs' Pension and Relief Fund benefit payment by filing a federal **Form W-4P, *Withholding Certificate for Pension or Annuity Payments***. You may request Form W-4P from the Sheriffs' Pension and Relief Fund by calling or writing us at the telephone numbers or address listed above. This form is also available on the Internal Revenue Service website at <http://www.irs.gov/pub/irs-pdf/fw4p.pdf>.

If you choose not to withhold taxes from your pension/benefit payment, or if you do not have enough federal income tax withheld from your benefit, you may be responsible for payment of estimated tax. Additionally, you may incur penalties under the estimated tax rules if your withholding or estimated tax payments do not meet IRS requirements. Withholding only applies to the taxable portion of your benefit payment.

If the taxable portion of your monthly benefit is less than **\$1,680.00** this year, we are *not required* to withhold tax unless you advise us to do so. This does not mean that tax will not be owed on this amount at the end of the year, and, if you have additional income, you may wish to have tax withheld.

Whatever your situation, we strongly recommend that you seek advice from your accountant or other tax professional concerning this and other tax matters.

IMPORTANT NOTICE CONCERNING EXEMPTION OF PENSION INCOME FROM LOUISIANA STATE INCOME TAX: *LSA-R.S. 11:2182. Exemption from execution*

Any annuity, retirement allowance or benefits, or refund of contributions, or any optional benefit or any other benefit paid to any person under the provisions of the Sheriffs' Pension and Relief Fund is exempt from any state or municipal tax and is exempt from levy and sale, garnishment, attachment, or any other process whatsoever, except as provided in R.S. 11:292, and is unassignable.

This means that you **do not** owe state income tax on the benefit you receive from the Sheriffs' Pension and Relief Fund. However, in order to claim the exemption from state income tax, **you must file Schedule E** along with your Louisiana State Income Tax Return every year. The form, Schedule E, is available from the Louisiana State Office of Revenue and Taxation or wherever Louisiana State Tax Return forms are made available, such as the library.

Serving Those Who Serve