

September 2020

## **CORONAVIRUS RELATED DISTRIBUTION TAX REMINDER**

The following information is provided to you by the Board of Trustees as relating to your Coronavirus distribution from the Local 15 Annuity Fund. You are urged to consult with your tax advisor concerning the tax consequences of your distribution.

### **Federal**

The amount of federal income taxes a participant may owe is based on his or her income. A participant may spread the amount of the Coronavirus-Related Distribution ratably over 3 tax years, rather than having to include the entire Coronavirus-Related Distribution in one's income for 2020. This is not a requirement but the option to do so may help you manage the federal income taxes associated with a Coronavirus-Related Distribution.

A participant is permitted to recontribute any portion of the Coronavirus-Related Distribution that is eligible for tax-free rollover treatment to your Local 15 Annuity retirement plan within the 3-year period beginning on the day after the date on which the distribution was received.

The payment of a Coronavirus-Related Distribution to a participant will be reported on Form 1099-R. This reporting is required even if the participant recontributes the Coronavirus-Related Distribution to the same eligible retirement plan in the same year.

IRS Notice 2020-50 (available at [www.irs.gov](http://www.irs.gov)) provides guidance for individuals who have taken Coronavirus-Related Distributions. We recommend participants refer to this IRS publication and consult their personal tax advisor for further information.

### **State and Local**

Participants taking Coronavirus-Related Distributions need to be aware of the potential impact of state and/or local tax liability due to differences between federal and state income tax rules. Many state and local income taxing authorities rely on the federal income tax guidelines. Depending on the particular state or local authority where you live, your Coronavirus-Related Distribution may be subject to state taxes in the year of distribution. For example, if a participant is subject to taxation in New York State and/or New York City, 100% of the distribution is taxed in 2020, regardless of the election for federal tax purposes.