

# NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342



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January 2018

To: All Employers  
From: Northern California Pipe Trades Trust Funds for UA Local 342  
RE: Employer's Report of Contributions (ERC) Forms – December 2017 hours

## **PENSION PLAN QUESTIONS**



Due to new reporting regulations, you may require information from our office regarding our Pension Plan. Please refer to our website [www.ncpttf.com](http://www.ncpttf.com) and select **Annual / Periodic Notifications**. The **Pension Plan Annual Funding Notice** and the **Pension Plan 104(d) Notice** provides the Plan Name, EIN, Status and other information. These Notices are sent annually in April and November, respectively. After reviewing these notices, if you require additional information, please submit your request to [tfo@ncpttf.com](mailto:tfo@ncpttf.com).

## **THANK YOU!**



Thank you for submitting your monthly reports and contributions timely. We appreciate your assistance in timely submission and encourage you to submit your monthly reports and contributions early when possible.

We also appreciate your time and effort regarding reporting questions and changes. You may have received phone calls or correspondence regarding your reports. As indicated in prior notices, due to Auditing Guidelines, we are required to request additional information if your reports are incomplete. We sincerely appreciate your efforts and ongoing compliance.

## **HOLIDAYS – SUBMIT YOUR ERC FORMS TIMELY**



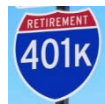
Our Office, UA Local 342, the Credit Union Office, and the bank will be closed on **January 1<sup>st</sup> and 15<sup>th</sup>** in observance of New Year's Day and Martin Luther King, Jr. Day. Please keep this in mind and allow sufficient time for mail service and delivery to the bank. As a reminder, *reports and contributions are due and payable at the bank by the 15<sup>th</sup> of the month following the work month and are delinquent if not received at the bank by the 22<sup>nd</sup> (you are urged to contribute at least the 401(k) deferrals by the 15<sup>th</sup> business day)*. Failure to report timely will result in assessment of Liquidated Damages and Interest Charges. Receipt at the bank is what determines when your contributions were "received"; the postmark is not a factor. **The mailing address is provided on the reverse side of the ERC forms for your reference.**

## **APPRENTICE ADVANCEMENTS EFFECTIVE JANUARY 1<sup>st</sup> – REMINDER**



Effective January 1, 2018, any Apprentices who are eligible to advance to the next level will be re-dispatched by UA Local 342. Please review NEXT month's ERC forms carefully for classification changes. If you think an Apprentice may be listed on the ERC at an incorrect classification, please contact our office. You may be referred to UA Local 342. **It is important to first contact our office regarding potentially incorrect Apprentice classifications prior to submitting your ERC Forms to avoid processing delays and errors.**

## **SUPPLEMENTAL 401(k) RETIREMENT PLAN - Internal Revenue Service Favorable Determination – Reminder of Tax Status**



Employers and/or their accountants frequently ask Plan Representatives to identify the Internal Revenue Code ("IRC" or "Code") provision under which the Plan has received its tax exemption. Some employers also raise concerns that they might be required to deduct FICA and FUTA from their contributions to the Plan. As explained below, FICA and FUTA are not to be deducted from the *Supplemental 401(k) Retirement Plan contributions*, as the Plan is qualified under IRC 401(a).

Contributions to the Northern California Pipe Trades Supplemental 401(k) Retirement Plan should be treated in the same manner as contributions to other IRC 401(a) qualified pension plans. Thus, FICA and FUTA are not to be deducted for the Plan contributions.

Plan contributions are also exempt from State of California payroll and withholding taxes. Section 17501 of the California Revenue and Taxation Code provides that plans qualifying for favorable treatment under IRC 401 enjoy the same status with respect to state taxes.

If you have any questions, or desire additional information regarding this matter, please address your concerns in writing to the Trust Fund Office at the address indicated above.

## **SUPPLEMENTAL 401(k) RETIREMENT / HEALTH REIMBURSEMENT ACCOUNT (HRA) REMINDERS**

Pursuant to the Collective Bargaining Agreement (CBA), employees may be eligible to change their 401(k) and/or HRA classification(s) **effective with January hours**. **This may be the only opportunity for an employee to have a different classification during the term of the CBA.** Dispatches which included 401(k) and/or HRA changes were issued by UA Local 342 in December 2017. Effective January 1, 2018, pursuant to IRS guidelines, the maximum amount that can be deferred to a 401(k) Plan is \$18,500 each calendar year; however, for employees who are age 50 or older, the IRS permits an additional catch-up contribution of \$6000 each year, making the maximum amount for a person age 50 or older can defer is \$24,500.

## **SUPPLEMENTAL 401(k) RETIREMENT / HEALTH REIMBURSEMENT ACCOUNT (HRA) – Overtime and Tax Exempt**

The Supplemental 401(k) and HRA are paid at straight time, time and one-half, and double time rates. The Supplemental 401(k) and HRA contributions are excluded for all tax purposes.

**If you have any questions, please contact the Employer Compliance Department at 925/356-8921 Option 5 or via email at [tfo@ncpttf.com](mailto:tfo@ncpttf.com). Thank you.**