

## **New Tax Rules**

The Congress recently enacted legislation that reduces the amount of income tax withholding from your retirement benefits for the rest of 2009 and all of 2010. SBCERA is required to follow these new rules and, as a result, the amount of federal taxes withheld from your benefits may go down. Even though the amount of withholding has been reduced, the tax rates were not reduced, so the taxes that you owe may not go down. Therefore, you may not have enough withholding to cover the taxes you will owe, or you may have a lower refund for 2009 and 2010 than you planned if you do not adjust your rate of withholding with SBCERA. We encourage you to consult a tax advisor for more information about this new rule. It is in the American Recovery and Reinvestment Act of 2009 (ARRA). If you wish to change the amount of federal (or state) taxes withheld from your SBCERA benefit, you may access a SBCERA Tax Withholding Election Form by clicking on the following link: [http://www.sbcera.org/pdf\\_files/Tax\\_Withholding\\_Election\\_Form.pdf](http://www.sbcera.org/pdf_files/Tax_Withholding_Election_Form.pdf) or by calling SBCERA at (877)722-3721 or (909) 885-7980.