



State Tax Changes November '09

State Issues New Tax Withholding Tables, Additional 10 Percent Will Be Withheld

The State of California has issued new tax withholding tables for all individuals earning wages in California, including pensioners. Therefore, the new tax withholding tables will apply for all retirees and/or beneficiaries who receive benefit payments from SBCERA.

The new tax withholding tables replace those issued in May 2009. The tables were issued to reflect those tax changes made in the past year in response to the budget crisis facing the state. On July 28, 2009, Assembly Bill X4 17 was enacted by the California legislature and signed by Governor Schwarzenegger. The bill required that the California Franchise Tax Board prepare these new tax withholding tables to include a 10 percent increase in the amount of taxes withheld on all wages paid on or after November 1, 2009.

SBCERA will begin using these newly issued state tax withholding tables for retiree and/or beneficiary payments beginning with November 30, 2009 benefit payments. If you have elected to use the state tax withholding tables, you will likely see a change in your tax withholding and benefit payment amount.

For more information about the new state tax withholding tables, we encourage you to consult a tax advisor. SBCERA cannot make recommendations regarding your tax withholding elections. If you wish to change the amount of state (or federal) taxes withheld from your SBCERA benefit payment, you may access and complete a **SBCERA Tax Withholding Election Form** by clicking on the following link: http://www.sbcera.org/pdf_files/Tax_Withholding_Election_Form.pdf or by calling SBCERA at (877) 722-3721 or (909) 885-7980.