



HOW TO SUBMIT FEDERAL TAX WITHHOLDING

INTRODUCTION

When a distribution subject to federal income tax is made from your retirement plan, you are required to submit the tax payment via the Electronic Federal Tax Payment System (EFTPS).

SETTING UP YOUR EFTPS ACCOUNT

You will need to establish an account at www.eftps.com. (You only need to setup your account one time.) From the EFTPS website, do the following:

- Click Enrollment from the top menu.
- Accept the disclosures and enroll as a Business.
- Input the Tax ID Number (TIN) of the plan. Do not confuse this number with your employer identification number (EIN). If you have more than one plan, you will need to setup an account for each plan.
- Enter the plan's name as the Business Name. Do not use punctuation.
- Under Payment Option, click Authorize a Transaction. Enter the bank routing number and account number for the account from which the withholding will be submitted.
- Review your information and enter your contact information.
- Continue until the Acknowledgement screen. Print or download the Acknowledgement.
- You will receive your PIN and instructions on how to obtain a password to use EFTPS within 7 days.

SUBMITTING FEDERAL TAX WITHHOLDING

Visit www.eftps.com and click Payments from the top menu. Use the plan's TIN and the login credentials you received to initiate a payment. Then, do the following:

- Enter *945* as the Tax Form Number.
- Select the tax type *Federal Tax Deposit*.
- Follow the on-screen prompts to enter the payment information. This amount will be debited from the account you used when you setup the plan.
- Continue until you receive a confirmation number. Keep this number with your plan records.

The deadline for submitting the federal withholding is 15 days after month's end if you are a monthly depositor or 3 business days after week's end if you are a semi-weekly depositor. EFTPS requires you to submit your payment request at least one business day before the deadline.

The de minimis rule allows plans with less than \$2,500 in income tax withholding to remit payments on an annual basis with the Form 945, due on January 31. However, if tax payments exceed \$2,500, failure to submit federal tax payments when required may subject you to IRS penalties. To avoid this scenario, we recommend submitting withholding via the EFTPS at the time of the distribution.