



Electrical Construction Industry  
**VACATION-HOLIDAY PLAN**  
11001 W. Plank Court, Suite 120  
Wauwatosa, WI 53226  
(414) 778-0068

**NOTICE OF CHANGE**  
**FEDERAL INCOME TAX WITHHOLDING**  
**FROM VACATION-HOLIDAY PAYMENTS**

This notice is to advise that effective January 1, 2020, the IRS has implemented changes to the W-4 Withholding Form. The 2020 standard IRS W-4 form requires the use of a withholding table based on annual salary which is not applicable to supplemental payments such as those received from the Vacation-Holiday Plan.

Therefore, we are providing a W-4 form which will be required with future Paid Time Off Benefit Requests forms. You will no longer be able to select the number of exemptions to determine the percentage of federal tax withholding nor will you be able to claim Exempt. Instead, you will be required to select an actual percentage of federal withholding on the W-4 Form. The enclosed W-4 form will be sent with future Paid Time Off Benefit Requests forms and will also be available on the ECI Plans website.

Additionally, you will be required to submit this W-4 form with Paid Time Off Benefit Request forms. Previously, if a W-4 form was not submitted, the default was 0 exemptions or 15% Federal withholding. Effective January 1, 2020, the default withholding for federal taxes is 24%. Therefore, if you would prefer a lower rate of withholding, you must complete and submit a W-4 form.

As a reminder, the most recent withholding request form you submit (submitted with your most recent Paid Time Off Benefit Request form) applies to Holiday benefit payments too.

Wisconsin State Tax Withholding (4%) and FICA (7.65%) will remain the same.

Please be advised that if you do not have sufficient amounts withheld from your Vacation/Holiday benefit payments, you may be liable for payment of estimated tax and associated penalties.

Very truly yours,

BOARD OF TRUSTEES