

# NOTICE OF WITHHOLDING TAX CHANGES

## NOTICE TO ALL PENSION PLAN PARTICIPANTS

**RE: St. Josephs Health Services of Rhode Island Retirement Plan**

As some of you may already be aware, due to the recent tax bill that passed in December 2017, the Federal and State Withholding wage tables have changed. As a result of recent changes to State Withholding Wage tables, starting with the July 2018 benefit payments, certain Plan participants residing in Kentucky, Idaho and Michigan who are currently receiving monthly benefit payments and may see a change to their net monthly payment amount. The changes are as follows:

### Kentucky

Withholding tables for Kentucky have been changed to reflect flat 5% withholding after allowing for a standard deduction of \$2,530. Prior to this change, Kentucky withholding was based on a progressive withholding table with rates ranging from 2 to 6%.

- Participants with gross payments of less than \$2,000 monthly will experience a withholding increase, while participants with gross payments greater than \$2,000 monthly will experience a withholding decrease.

### Idaho

Withholding tables for the state of Idaho have been updated effective with the next payment cycle.

- Participants will experience a reduction in withholding based on the new withholding tables.

### Michigan

The Michigan tax withholding formula has been updated to reflect the change in the value of each exemption from \$4,000 to \$4,050.

- The withholding rate of 4.25% remains unchanged.
- Most participants will not notice this change which amounts to a reduction in withholding of \$0.17 per exemption.

Thank you and I hope this information is helpful.

Very truly yours,

Stephen F. Del Sesto, Esq.  
Permanent Receiver of the Plan  
and not individually