

Sisters and Brothers,

Recently a few Local Unions have inquired about withholding Railroad Retirement taxes from the salaries you pay to your officers and employees. You have asked what to do with the money and what forms need to be sent to the International Office. In response to your questions, this office has put together a guide for your use. This guide is only for deducting, reporting, and paying **Railroad Retirement taxes** on your local union officers and employees. If your Local Union bylaws provide for salaries for Local Union officers, then you are required to withhold these taxes. This also applies to “lost time” wages you may from time to time pay your officers. This does not apply to any salaries **under** \$25 gross per month.

An IBEW OE-1a form in “electronic format” will follow this email. Instructions for using this form can be found in the above-attached guide.

Additionally, as your officers are considered “employees” of your local unions, you are also required to withhold Federal Income tax from these persons and issue W-2 forms to them at the end of the year. In the near future, we will put together a guide for Federal Income tax purposes. That guide will be forwarded to you upon completion. Please forward this information to the officer(s) in your local who handle you payroll.

If you have any questions pertaining to this, please don’t hesitate to contact this office.

Fraternally,

Bill Bohné, Jr.

Director – IBEW Railroad Department

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