



# Water and Power Employees' Retirement Plan

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Important Notice to DWP Retirees who may file quarterly estimated taxes or are receiving benefits from various social programs

Date: February 18, 2004

From: Board of Administration of the Water and Power Employees' Retirement Plan

Re: Explanation to be given to the IRS, social agencies and others as necessary

Dear Retirees:

I have corresponded with you on behalf of the Retirement Board, relative to the fact your form 1099R for calendar year 2003 states your income was higher, by one month's pension payment, than your normal annual payment. Board members recognize some of you may file quarterly estimated taxes or may be receiving benefits from social agencies requiring certain annual income as a condition of eligibility.

This letter is issued for your files and for possible use in connection with any social program you may be receiving benefits from, or in connection with the IRS.

The Retirement Board hereby affirms your income for calendar year 2003, as reported in your form 1099R, resulted from a Board policy of earlier release of pension checks. This policy was intended to benefit retirees by making your funds available earlier when the first of the month falls on a weekend or holiday. As a result of this policy, and without your knowledge, thirteen months' payments were included in your 2003 form 1099R, even though the Plan only pays once a month and your true annual pension is 12/13ths of the amount shown on the 2003 1099R.

We hope this will resolve the problems you may encounter as a result of the larger than expected 1099R. You can provide a copy of this letter to the IRS or other agencies as necessary for them to contact the Retirement Office at (800) 367-7164. Please accept our apologies for any inconveniences created.

Javier Romero  
Retirement Board President