



# Sustainable income benefit gets an increase

If you had contributions made to the Carpenters Retirement Plan in 2017, you received an increase to that benefit effective on January 1, 2018.

An increase of 1.087%, it is the first increase to benefit accruals under the new sustainable income benefit formula. A new benefit statement showing this increase is scheduled to be mailed to all participants in April or May 2018. As you may remember, all sustainable income benefits earned through December 31, 2018 will receive a 6% increase on January 1, 2019. Retirees who have a sustainable income benefit received an increase to that portion of their monthly benefit beginning with the January 1, 2018 monthly benefit.

## Health plan update

### Termination for spouse or adult dependent opt-out

Effective January 1, 2018, medical coverage will be terminated at the end of the month following a spouse's or an adult dependent's notice to opt-out of plan coverage.

Your spouse and your adult dependent children (age 18 or older) may elect to opt-out of plan coverage by submitting a signed written request to the plan. The opt-out will be effective at the end of the month in which the opt-out notice is received by Carpenters Trusts. The opt-out will apply to all coverage, including medical, prescription drug, dental, vision, and life insurance.

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An opt-out of plan coverage is not a COBRA qualifying event, and a spouse or dependent child who opts out will not be eligible for COBRA Continuation Coverage. Additionally, a spouse or dependent child who has opted out of coverage and is not enrolled in the plan at the time of a COBRA qualifying event will not be eligible to re-enroll while you are covered under COBRA Continuation Coverage.

A spouse or dependent child who opts out of coverage may re-enroll, provided you satisfy the eligibility requirements for dollar bank eligibility during the month for which re-enrollment is sought. The re-enrollment will be effective the first day of the month following the month in which the enrollment request is received by Carpenters Trusts.

You may not unilaterally elect to remove your spouse or an adult dependent child without the spouse's or adult dependent child's written consent. A minor dependent child (under age 18) cannot opt-out of plan coverage and cannot be removed from the plan by you or your spouse.

### Get your immunizations at a participating pharmacy

You don't need to see a doctor for routine immunizations. Just head to a participating pharmacy. Nearly all states allow pharmacists to administer vaccines. There's no deductible or copay for vaccines and immunizations covered under the Preventive Health Services benefit of the Carpenters Health and Security Plan. Simply present your Express Scripts ID Card.

# Your 401(k) can also lower your tax bill

This is the time of year when many Americans are writing checks to the Internal Revenue Service, which levies a tax on many forms of income, including wages and salary. Contributing to a 401(k) lowers the amount you pay in federal income taxes. Whatever amount you decide to contribute (\$1-\$9 per hour for individuals under 50, \$1-\$12 per hour if you are 50 or older) gets subtracted from wages before income tax is calculated. With fewer dollars reported as income, your federal income tax will be lower. The following examples show the potential savings for a single person earning \$70,000 and making the maximum allowable contribution to a 401(k). Social Security and any applicable state withholding are not shown.

## Example 1: No contribution

If the individual makes no 401(k) contribution, the estimated federal income tax would be \$10,639.

Tax Year:	2017	
Filing Status:	Single	
1040 page 1	Regularly Taxed Income (salary, interest, regularly-taxed dividends, short-term capital gains)	\$ 70,000
1040 page 1	Qualified Dividends and Long Term Capital Gains <sup>(1)</sup>	+
1040 page 2	Adjustments <sup>(2)</sup> (contributions to deductible retirement accounts...)	-
1040 page 2	Deductions <sup>(3)</sup> Standard \$ 6,350 or Itemized \$ 0	- 6,350
1040 page 2	#Exemptions: 1	- 4,050
Calculate		
Adjusted Gross Income:	\$ 70,000	
Taxable Income:	\$ 59,600	
Estimated Tax:		
on Regular Income:	\$ 10,639	
on Qualified Dividends and Long Term Capital Gains:	\$ 0	
Total:	\$ 10,639	

Source: moneychimp.com

## Do you have a rollover plan?

The Carpenters Individual Account Pension Plan has a special subaccount for rollovers. It's for retirement funds accrued in other qualified retirement savings plans, such as an Individual Retirement Account or a 401(k) from a previous employer. Federal law allows you to transfer those other funds into the Carpenters Individual Account Pension Plan. Your money is vested beginning with the initial contribution and cannot be forfeited. Please contact **Retirement Services** at Carpenters Trusts (800-552-0635) for assistance with the rollover process.

## Example 2: Contribution of \$9 per hour

If the individual is under the age of 50 and makes an annual contribution of \$18,500 (if working full-time about \$9 per hour through payroll deduction), the estimated federal income tax would be \$6,014. This is a savings of more than \$4,600.

Tax Year:	2017	
Filing Status:	Single	
1040 page 1	Regularly Taxed Income (salary, interest, regularly-taxed dividends, short-term capital gains)	\$ 70,000
1040 page 1	Qualified Dividends and Long Term Capital Gains <sup>(1)</sup>	+
1040 page 2	Adjustments <sup>(2)</sup> (contributions to deductible retirement accounts...)	- 18,500
1040 page 2	Deductions <sup>(3)</sup> Standard \$ 6,350 or Itemized \$ 0	- 6,350
1040 page 2	#Exemptions: 1	- 4,050
Calculate		
Adjusted Gross Income:	\$ 51,500	
Taxable Income:	\$ 41,100	
Estimated Tax:		
on Regular Income:	\$ 6,014	
on Qualified Dividends and Long Term Capital Gains:	\$ 0	
Total:	\$ 6,014	

Source: moneychimp.com

## Example 3: Contribution of \$12 per hour

If the individual is 50 or older and makes an annual contribution of \$24,500 (if working full-time about \$12 per hour through payroll deduction), the estimated federal income tax would be \$4,799. This is a savings of more than \$5,800.

Tax Year:	2017	
Filing Status:	Single	
1040 page 1	Regularly Taxed Income (salary, interest, regularly-taxed dividends, short-term capital gains)	\$ 70,000
1040 page 1	Qualified Dividends and Long Term Capital Gains <sup>(1)</sup>	+
1040 page 2	Adjustments <sup>(2)</sup> (contributions to deductible retirement accounts...)	- 24,500
1040 page 2	Deductions <sup>(3)</sup> Standard \$ 6,350 or Itemized \$ 0	- 6,350
1040 page 2	#Exemptions: 1	- 4,050
Calculate		
Adjusted Gross Income:	\$ 45,500	
Taxable Income:	\$ 35,100	
Estimated Tax:		
on Regular Income:	\$ 4,799	
on Qualified Dividends and Long Term Capital Gains:	\$ 0	
Total:	\$ 4,799	

Source: moneychimp.com

With a 401(k), the portion of wages going into the account is not taxed as income—not initially, anyway. You pay the income tax later when you draw money from

continued on next page

## 401(k) continued from previous page

the account as a retiree, when you are likely in a lower income bracket. This allows you to accumulate money more aggressively through compounding interest and get the biggest bang from positive investment performance. Investment gains are tax deferred as well.

Based on current tax law, you're not required to take a distribution until you are 70½ years of age. If you're in the early stage of your career, a 401(k) can offer 30, 40, or 50 years tax-deferred growth before you withdraw your first dollar from the account.



Eligible participants can start making 401(k) contributions any time during the calendar year. If you're already enrolled, you can change your contribution amount up to two times

per year. It takes about a minute if you use the online form on our website: [www.ctwv.org/401k](http://www.ctwv.org/401k)

## Wellness every day

**World Asthma Day (May 1, 2018):** Asthma is a lifelong disease that causes wheezing, breathlessness, chest tightness, and coughing. Attacks can be prevented by knowing how to use inhalers and other medicines correctly. Another preventive measure is knowing how to avoid asthma triggers, such as tobacco smoke, mold, and other forms of air pollution. You'll learn to do that and more from a free coaching program offered by **Engolve PeopleCare**. The cost of the program is paid by the Carpenters Health and Security Plan. A \$200 gift card will be awarded for completing six coaching calls. Call 877-676-7700 for details or visit our website: [www.ctwv.org/healthcoach](http://www.ctwv.org/healthcoach)



**World No Tobacco Day (May 31, 2018):** This observance, sponsored by the World Health Organization, highlights the fact that tobacco kills more than 7 million people each year, the majority from smoking. The Carpenters Health and Security Plan offers a no-cost program to help you quit. The name of the program



is called **Quit For Life** and it covers the cost of nicotine patches and gum, and medications that can help you quit. Call 866-784-8454 to enroll. Program information and other resources are available on our website: [www.ctwv.org/tobacco](http://www.ctwv.org/tobacco)

## The high cost of low-value health care

Low-value health care, also called overuse or waste, refers to medical tests and procedures that have been shown to provide little benefit in particular clinical scenarios. These services have the potential to cause physical, emotional, or financial harm to patients. While harm is not intentional, it is particularly troublesome when it results from tests, procedures, and treatments that were unnecessary.

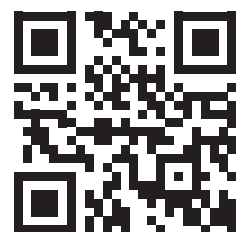
How prevalent is the problem? The **Washington Health Alliance** is a non-profit organization working to improve healthcare delivery in Washington state. In a recent statewide study, they examined 47 common treatments known to be overused and found more than one-third (36%) had little or no benefit to patients. The estimated cost of these low-value services was \$282 million.

More than 90% of overuse was attributed to just 11 tests, procedures and treatments. These include such things as preoperative tests and lab studies prior to low-risk surgery, too frequent cancer screenings, eye imaging tests for people without significant eye disease, annual EKG tests or cardiac screening for people with low risk of heart disease, and imaging for uncomplicated conditions such as low back pain.

To avoid overuse, the Washington Health Alliance advises patients to ask these 5 questions before a test, treatment, or procedure.

1. Do I really need this test or procedure?
2. What are the downsides?
3. Are there simpler, safer options?
4. What happens if I do nothing?
5. How much does it cost?

More consumer tips from the Washington Health Alliance can be found at: [www.orewvourhealthbwa.org](http://www.orewvourhealthbwa.org)





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## Earth Day 2018: Time to go paperless

With Earth Day approaching on April 22, now is a good time to consider alternatives to paper statements and EOBs. Recycling is a good idea, but it actually creates an environmental problem of its own. Paper sludge is a term for the pudding-like mixture of paper fibers, inks, cleaning chemicals, and dyes removed from the recycled pulp. The sludge is either burned or sent to a landfill, where it can leach toxic chemicals and heavy metals into groundwater.

A better approach (environmentally speaking) is to reduce paper consumption altogether. Start by subscribing to **eCommunications** from Carpenters Trusts. This is a paperless alternative to quarterly statements, medical EOBs and other mailings from Carpenters Trusts. Instead of getting them by mail, you receive an email

informing you that a new statement has been uploaded to your account. Just log in with a username and password to review it. Statements can be downloaded for your records and printed too if necessary.

You'll need to register first. During registration, check the box to accept eCommunications, which will stop de-

livery of printed statements by mail. Already registered? Log in go to your Profile settings to accept eCommunications. You can go back to paper statements any time. For questions and answers about registration and eCommunications visit:

[www.ctww.org/member](http://www.ctww.org/member)

