
MEMORANDUM

To: Paul Miller, Interim Executive Director
From: Matt Gill, Nationwide Program Director
Subject: Complaint Letter from Mr. Oxenrider
Date: 10/31/2023

Complaint Summary

Mr. Oxenrider called the Service Center on October 25, 2023 with the intention of taking a partial lump sum payment and using 92 percent of that withdrawal as federal income tax withholding. He has an ongoing monthly payment and wants to continue to receive that payment in the same month as the partial lump sum payment while having the monthly payment continue afterward.

Mr. Oxenrider expressed frustration with the inability to select a federal income tax withholding amount other than the default withholding (10% in his case) on the participant website. Mr. Oxenrider is also frustrated that he is unable to continue his monthly payment via website entry. He expressed frustration with the number of forms that he must complete to fulfill this request.

Background

Mr. Oxenrider is unable to customize the federal income tax withholding on the website, other than the default amount, due to the IRS requiring Form W-4R or W-4P to be completed by the participant for customized federal tax withholdings. As of January 2023, when the new IRS federal tax withholding requirements were effective, systematic withdrawals were removed from the participant website to reprogram for new W-4P withholding requirements. Systematic withdrawals, with default federal tax withholding amounts, should be restored on the participant website soon.

Account Executives in the Service Center accommodated his requests to the best of the Service Center's capabilities while remaining in compliance with the W-4R and W-4P forms required by the IRS. Forms were required to be sent to Mr. Oxenrider to complete his customized federal tax withholding requests. Attempts were made to communicate this to Mr. Oxenrider. Mr. Oxenrider remained frustrated via email correspondence and requested his frustrations be expressed to all current board members. He also copied former Ohio DC Board member, Herman Mollmann on his complaint.

Recommendation

The nature of Mr. Oxenrider's complaint does not seem to involve Board policy. The complaint calls out the complexity of the IRS federal tax withholding process which involves mandatory IRS tax withholding forms. Nationwide recommends sharing the complaint with the Board Chairperson to determine if additional follow-up is required. Mr. Oxenrider has been informed that his complaint has been shared with the Executive Director and will subsequently be shared with the Board Chairperson.

On Wednesday, October 25th, at 9:42 pm, Mr. Oxenrider wrote:

Good Evening DC,

Year after year, I keep asking DC to make it simple to have one RMD deduction paid to the IRS. See an attempt on the internet that needs much more work. Talked with Nick today and looked at the website but it was/is WORTHLESS for payment to IRS. I'm attempting to pay IRS \$15,000 in 2023 taxes in November and take the remaining RMD balance in December. Just won't happen on web.

Nick sent me 3 forms via email but somehow it does not show the amount of \$15,000 and can't figure out how you would know that is what I want.

Thereafter, want to start \$1,300 monthly wd each month starting next year....

Will call Nick again tomorrow re: completing forms.....

Also, your web would not allow me to send this email to sending in thru yahoo.....

Thank you,

Roy Oxenrider

On Thursday, October 26th, at 10:33 am, Mr. Oxenrider wrote again:

Good Morning DC,

After over 42 years with DC, this 75 year young Vietnam Vet, 22 year State retiree has a **BIG complaint**. What happened to the paper reduction act? It takes two emails, six attachments with many pages, six forms to be returned to pay IRS \$15,000 that DC screwed up one year. Can you tell I hate RMDs and looking forward to negative results again this year. The entire process is far toooooo difficult and far toooooo complicated. I've complained every year just to watch it change in the worst way.

The only request is to pay \$15,000 to the IRS on RMD and maintain monthly \$1,300 withdrawal. I hope you don't mess this up again.

Please consider moving this transaction to the website. You have it started but when we (Nick) tried it failed. Why should something so simple require 2 emails, 6 forms to return, will be 3 phone calls and a lot of frustration and printer toner on my end. Can you make this any more difficult??? I'm an advocate of the KISS system and should be done on web since I don't trust snail mail. Will call mid next week that you received my SIX pages and they are correct. My envelope is in the mail with two stamps.

Would love to hear your response to my BIG complaint but know your probably tooooo busy serving other customers. Am I the only one with this problem and complaint. KISS

Thank you,

Roy Oxenrider

On Thursday, October 26th, at 2:54 pm, the Service Center responded:

Mr. Oxenrider,

We appreciate your feedback and apologize for the frustrations you have found in our processes. We appreciate our participants' patience as we continue to update and restructure our withdrawal request process through the website.

Unfortunately, we are a non-profit program, so our budget for web based projects is limited and they are prioritized based on majority use first. As we are a retirement plan, designed for supplemental retirement income and not as a vehicle for paying the IRS, uncommon withholdings have not yet been accommodated on our website. In early 2023, there was a major overhaul on the forms that we are able to use for withholding on different payments. This has created a challenge in allowing changes to withholdings on the website and we had to scale back its functionality. However, we are hoping to make online systematic withdrawals available again soon, and that will save paperwork in making those requests.

Our intentions are never to make a process more cumbersome than it needs to be. Unfortunately, the process of finding the most efficient and secure way to make your desired changes available on the web is a slow one. We do appreciate your feedback and hope that our Account Executives are still able to accommodate your requests in the most efficient way currently available.

Thank you,

(Signature)

On Friday, October 27th, at 1:10 pm, Mr. Oxenrider responded:

Good Morning Mr. Gallagher,

Thank you for your response and would like to add an additional 2 cents.

All my life, federal taxes have been very difficult and now with RMD required from DC only makes matters worse. As a matter of fact, I must use a CPA and pay her \$\$ to do my taxes. A friend told me that his RMD defers to 20% deduction amount and I could probably live with that or 25% would be better. Could an automatic 25% IRS withholding be made and placed on the web?

More info on web - Under Withdrawals this is currently worthless, you need new withdrawal heading titled "RMD Withdrawal". in there, you would have amount or % like you have for the state income amount now. It could be this easy.

Amount of \$\$ for IRS payment _____ Month for payment _____

That's ALL FOLKS.....I'm not attempting to change amount of monthly w/d and why do I have to return two state income forms living in NV is totally wrong.....Why??? Six forms, two emails, 6 email attachments and many pages to print wasting expensive toner??? Do you get the picture???

Your web needs updated to common sense and forgive me, using the excuse of non-profit limited \$\$ does not resonate in my book. Just change you fee schedule if needed and that is why I pay you a monthly amount. Forgive me, it sounds like I'm getting snowed with your standard BS form letter.

I'm sure you have many Customers in my boat and they would love to see this annual nightmare simplified - Use the KISS system. My forms are now in the mail and will have to call that they were received and pray DC gets it right to avoid a penalty and interest charge from IRS.

Like I said - SIX forms are ludicrous or shall I also say ridiculous....I have to hope next year that I have enough marbles remaining to play your silly RMD game again....**Your RMD system is not easy and I give it a failing grade.**

Herman Mollmann is a former Board Member and a good friend. Would you please forward my email to ALL current Board Members and respond when this action is accomplished.

Sincerely,

Roy Oxenrider

A 42 year Member of DC

On Tuesday, October 31st, at 11:39 am, the Service Center responded:

Mr. Oxenrider,

Your complaint has been shared with Board staff and Ohio DC's Executive Director. They will be reaching out to the Board Chairperson to share your complaint.

Thank you,

(Signature)

On Tuesday, October 31st, at 12:06 pm, Mr. Oxenrider responded:

Good Morning Mr. Gallagher,

Thank you very much and hope to see a simple RMD web transaction next year. Should not be that difficult and costly. As Captain Picard said - **MAKE IT SO.....**

Thanking you in advance and keep me posted. Have to call DC tomorrow insuring snail mail was successful - In 2022, USPS reported an adjusted loss of \$473 million without the financial aid from Congress via the Postal Service Reform Act. Do you understand why I prefer web over USPS??

Sincerely,

Roy Oxenrider