



## TAX WITHHOLDING CERTIFICATE

*Read the instructions on page 2 before completing this form. Please print or type in dark ink and initial any corrections.*

### Section 1: BENEFIT RECIPIENT INFORMATION

Last Name	First Name, MI	Social Security Number*
Date of Birth / /	Retiree Number (leave blank if unknown)	Retirement System
Mailing Address		
City	State	Zip code
Daytime Phone Number ( )	Email address	

### Section 2: FEDERAL TAX WITHHOLDING ELECTION

**Complete the following applicable lines:**

1. Check here if you **do not want any** federal income tax withheld from your pension. (Do not complete line 2 or 3.).....▶
2. Total number of allowances **and** marital status you are claiming for withholding from each periodic pension or annuity payment. **Marital status:**  Single  Married  Married, but withhold at higher "Single" rate .....▶ (Enter number of allowances)
- (You may also designate an additional dollar amount on line 3.)
3. Additional amount, if any, you want withheld from each pension or annuity payment. (**Note:** for periodic payments, you cannot enter an amount here without entering a number of allowances, including zero, on line 2.) .....▶ \$ \_\_\_\_\_

### Section 3: MONTANA STATE TAX WITHHOLDING ELECTION

**Complete the following applicable lines:**

1. Check here if you **do not want any** Montana income tax withheld from your pension. (Do not complete lines 2, 3 or 4.)▶
2. Total number of allowances you are claiming for withholding from each periodic pension or annuity payment. (You may also designate an additional dollar amount to be withheld on line 3.) .....▶ (Enter number of allowances)
3. Additional amount, if any, you want withheld from each pension or annuity payment. (**Note:** for periodic payments, you cannot enter an amount here without entering a number of allowances, including zero, on line 2.) .....▶ \$ \_\_\_\_\_
4. Flat amount you want withheld from each pension or annuity payment. (Do not complete lines 1, 2 or 3.) .....▶ \$ \_\_\_\_\_

### Section 4: BENEFIT RECIPIENT SIGNATURE

THIS FORM WILL NOT BE PROCESSED WITHOUT A SIGNATURE.

Signature	Date
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\* For identification and tax purposes. § 19-2-403(8) MCA, 26 USC § 6109.

## Tax Withholding Election Instructions

**Purpose.** Use this *Tax Withholding Certificate* form to tell MPERA the amount of federal and state income tax to withhold from your monthly benefit payments. Complete the form and submit it to MPERA as soon as possible. Because your tax situation may change from year to year, you may want to recalculate your withholdings each year and submit a new form.

Correctly completed forms received at MPERA by the 15<sup>th</sup> of any month will be effective for that month. Your tax withholding preference will remain in effect until you change or cancel your preference. A change or cancellation may be made at any time by completing and submitting a new *Tax Withholding Certificate* to MPERA. This form is available on the MPERA web site at [www.mpera.mt.gov](http://www.mpera.mt.gov), or by calling MPERA at 406-444-3154 or toll free at 1-877-275-7372.

**Choosing not to have income tax withheld.** You can choose not to have federal and state income tax withheld from your monthly benefit payments.

**Caution.** There are penalties for not paying enough federal and state tax during the year, through withholding or estimated tax payments. See IRS Publication 505, *Tax Withholding and Estimated Tax*, at [www.irs.gov](http://www.irs.gov). It explains your estimated tax requirements and describes penalties in detail. You may be able to avoid quarterly federal and state estimated tax payments by having enough tax withheld from your monthly benefit payment.

If you do not complete and submit this form to MPERA, we will not withhold Montana state income tax from your monthly benefit payments; however, we must withhold federal income tax as if you were married and claiming three withholding allowances. Generally this means that federal tax will be withheld if your pension or annuity is at least \$1,720 a month.

**Changing your “No Withholding” choice.** If you previously chose not to have federal income tax withheld and you now want withholding, complete and submit another *Tax Withholding Certificate* to MPERA. If you want federal income tax withheld at the rate set by law (married with three allowances), write “Revoked” next to the checkbox on line 1 in Section 2. If you want federal income tax withheld at a different rate, complete Section 2. If you want Montana state income tax withheld, complete Section 3.

**Section 1 - Benefit Recipient Information.** Enter your full name and all other applicable information.

**Section 2 - Federal Tax Withholdings Election.** To calculate the proper amount of federal tax withholding, use IRS Form W-4P which has a worksheet and instructions available at [www.irs.gov](http://www.irs.gov).

If you want federal income tax withheld, you must designate the number of withholding allowances on line 2 and indicate your marital status by checking the appropriate box on line 2. Note that you cannot designate a specific dollar amount only to be withheld for federal tax. However, on line 3 you may designate a dollar amount to be withheld in addition to the withholding you elected based on your allowances and marital status on line 2. If you do not want any federal income tax withheld, check the box on line 1.

**Section 3 - State Tax Withholdings Election.** If you are a resident of Montana, your benefits are subject to Montana state income tax laws and MPERA can withhold Montana state income tax if you request it. MPERA cannot withhold taxes for any other state.

The number of Montana state income withholding allowances you claim may be different from the number of allowances you claim for federal income tax withholding. If you do not live in Montana

but think you may be liable for Montana state income tax, you may request MPERA withhold Montana state income tax.

If you want Montana state income tax withheld, indicate the appropriate number of withholding allowances on line 2. You may also specify an additional dollar amount, if any, you wish to have withheld on line 3. Alternatively, for Montana state income tax withholding purposes, on line 4 you may designate a flat dollar amount to be withheld instead of withholding based on allowances. If you do not want any Montana state income tax withheld, check the box on line 1.

**Section 4 - Required Signature.** Sign and date your form before submitting it to MPERA. Your form will not be accepted without your signature.

### IMPORTANT INFORMATION

**Statement of Federal Income Tax Withheld.** By January 31 of next year (and each following year), MPERA will furnish a statement to you on Form 1099-R showing the total amount of your benefit payments and the total federal and state income tax withheld during the preceding year. If you are a foreign person who has provided MPERA with Form W-8BEN, MPERA will instead furnish a statement to you on Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*, by March 15 of the next year.

**Payments to Foreign Persons and Payments Delivered Outside the U.S.** For U.S. citizens and residents, federal tax withholding is required on monthly or lump-sum payments delivered to you outside the U.S. or its possessions. You cannot waive federal income tax withholding in this situation. See IRS Publication 505 at [www.irs.gov](http://www.irs.gov) for details.

For nonresident aliens, nonresident alien beneficiaries, and foreign estates, in the absence of a tax treaty exemption, monthly or lump-sum payments generally are subject to a 30 percent federal withholding tax on the taxable portion of payments from U.S. sources. See IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and IRS Publication 519, *U.S. Tax Guide for Aliens*, at [www.irs.gov](http://www.irs.gov).

If you are a foreign person, you should submit Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, to MPERA before receiving payments.

### QUESTIONS

For information about federal tax withholding, contact the IRS at 1-800-829-1040 or visit [www.irs.gov](http://www.irs.gov). To help determine your withholding allowances, use the tax withholding calculator at [www.irs.gov/individuals](http://www.irs.gov/individuals) or see the allowance worksheets at [www.irs.gov/pub/irs-pdf/fw4p.pdf](http://www.irs.gov/pub/irs-pdf/fw4p.pdf). Also read IRS Publication 505, *Tax Withholding and Estimated Tax*, and IRS Publication 575, *Pension and Annuity Income*.

For information about Montana state tax withholding, contact the Montana Department of Revenue at 1-866-859-2254 or 406-444-6900; you may also visit [www.revenue.mt.gov](http://www.revenue.mt.gov).

The method you elect to utilize in paying your federal and state income tax liability is a personal decision. While MPERA tries to assist you in any way possible, we are not qualified to make tax decisions for you and recommend you contact a qualified tax professional if you need tax advice.