Form **W-4P**
(Rev. January 1984)
Department of the Treasury
Internal Revenue Service

Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0415

Type or print your full name

Your social security number

Home address (number and street or rural route)

City or town, State, and ZIP code

Claim or identification number (if any) of your pension or annuity contract ▶

Complete the following applicable lines:

1 I elect to have no income tax withheld from my pension or annuity. (Do not complete lines 2 or 3.) . . . . . ▶ ☐

2 I want my withholding from each periodic pension or annuity payment to be figured using the number of allowances and marital status shown. (You may also designate an amount on line 3) . . . . . ▶ _____ (allowances)

☐ Single ☐ Married ☐ Married, but withhold at higher single rate

3 I want the following additional amount withheld from each periodic pension or annuity payment . . . . . ▶ $

Your Signature ▶ Date ▶

Detach along this line

▲ *Give the upper part of this form to the payer of your pension or annuity; keep the bottom part for your records.* ▲

Paperwork Reduction Act Notice.—This information is required to carry out the Internal Revenue laws of the United States.

Purpose of Form.—Unless you elect otherwise, Federal income tax will be withheld from payments of pensions and annuities. The law requires that unless you tell your payer otherwise, tax will be withheld on **periodic** payments as if you are married and claiming three withholding allowances. This means that tax will be withheld if your pension or annuity is more than $450 a month (the equivalent of $5,400 a year). Tax will be withheld on nonperiodic payments as explained later.

You can use FormW-4P or a substitute form furnished by the payer to instruct your payer to do any of the following:

1. To withhold no tax from your pension or annuity payments (or to revoke this election).
2. To withhold on **periodic** payments based on the number of allowances and marital status you indicate.
3. To withhold on **periodic** payments an additional amount you specify from each payment.

Please note that item 1 applies to both periodic and nonperiodic payments. However, items 2 and 3 apply only to periodic payments.

Basic Information About Withholding from Pensions and Annuities.—Generally, withholding applies to payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans, from individual retirement arrangements (IRA), and from commercial annuities.

Periodic payments from all of the items above are treated as wages for the purpose of withholding, and you can use Form W-4P to change the amount of tax to be withheld by using lines 2 and 3 or to exempt the payments from withholding by using line 1 or by completing a substitute form furnished by the payer.

A periodic payment is one that is includible in your income for tax purposes and that you receive in installments at regular intervals over a period of more than 1 full year from the starting date of the pension or annuity. The intervals can be annual, quarterly, monthly, etc. For example, if you receive a monthly pension or annuity payment and will continue to receive payments for more than a year, the payments are periodic. However, distributions from an IRA that are payable upon demand are treated as nonperiodic payments. Social Security payments are not subject to withholding but may be includible in income.

There are some kinds of periodic payments for which you can **not** use Form W-4P since they are already defined as wages subject to income tax withholding. For example, you cannot use it for payments from certain State and local government deferred compensation plans. Your payer should be able to tell you whether W-4P will apply.

For periodic payments, your certificate is usually effective 30 days after you file the form. The certificate stays in effect until you change or revoke it. Your payer must notify you each year of your right to elect to have no tax withheld or to revoke your election.

Nonperiodic payments will have income tax withheld at a flat 10% rate unless the payment is a qualified total distribution. Tax will be withheld from a qualified total distribution using tables furnished payers and prescribed by the Treasury Department. You can elect to have no income tax withheld from a nonperiodic payment by filing Form W-4P with the payer and checking the box on line 1. Generally, your election to have no tax withheld will apply to any later payment from the same plan. You cannot use lines 2 or 3 of Form W-4P to change the amount to be withheld.

For more information, please see **Publication 505,** Tax Withholding and Estimated Tax, available from most IRS offices.

Completing the Form.—Fill in your name, address, social security number, and the identification number (if any) of the pension or annuity.

Line 1, Exemption from Withholding.—Check this box if you do not want any tax withheld from your payment. You do not have to give a reason for claiming the exemption from withholding. If you receive **nonperiodic** payments, this is the only item you can use on this form.

Caution: Remember that there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. New retirees especially should see **Publication 505.** It explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your pension or annuity using Form W-4P.

Revoking the Exemption from Withholding.—If you want to revoke your previously filed exemption from withholding for periodic payments, file another Form W-4P with the payer. If you want tax withheld at the rate set by law (married with three allowances), write the word "Revoked" by the checkbox on line 1. If you want tax withheld at any different rate, follow the instructions for lines 2 and 3 below.

If you want to revoke your previously filed exemption for nonperiodic payments, write the word "Revoked" by the checkbox on line 1 and file Form W-4P with the payer.

Line 2, Withholding Based on Specified Withholding Allowances.—For periodic payments withholding is automatically based on rates for a married person claiming three allowances. If you want withholding to be based on a specified number of allowances, write the number on this line and check the filing status box you want.

Generally, the more allowances you claim, the less tax is withheld. (But see the Caution above.)

Use the worksheet on the back and instructions A through E below as a guide to figure your allowances. Add the number of allowances for each category explained below. Enter the total on line 2. If you have more than one source of income such as a job and a pension, or you and your spouse both have income, you should add all the income together to figure the withholding allowances. Then allocate the allowances among the sources of income subject to withholding.

A. Personal allowances.—You can claim the following personal allowances: 1 for yourself, 1 if you are 65 or older, and 1 if you are blind. If you are married and filing a joint return and your spouse is not claiming these allowances separately, you may claim 1 allowance for your spouse, 1 allowance if your spouse is 65 or older, and 1 allowance if your spouse is blind.

B. Special withholding allowance.—You may claim 1 allowance for this. It is used only to figure your withholding. Do not claim it when you file your return.

C. Allowances for dependents.—You may claim one allowance for each dependent you can claim on your Federal income tax return.

***Note:** If you are not claiming any deductions or credits, add lines A, B, and C, enter the total on line F, and carry the total over to line 2 of Form W-4P.*