



W-4P
(TR)

Withholding Certificate for IMRF Monthly Annuity Payments

Rev. 01/2013

(Please see instructions on back)

Name _____ Soc. Sec. # _____

Mailing Address _____

City, State, Zip _____

Select **Only ONE** of the three sections below:

☐

1) I elect not to have income tax withheld from my pension or annuity.

☐

2) Please withhold according to IRS withholding tables. **Complete A & B.**

Depending on the amount of your IMRF monthly pension, IRS tables may not provide a deduction amount for federal withholding. **See Sample Withholding** on IRS Instructions and Worksheets.

A & B REQUIRED: (If Box 2 Selected)

A) Marital Status:

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

B) Number of personal exemptions _____

OPTIONAL:

In addition to the amount from the IRS withholding tables,
please withhold the following **additional** amount \$ _____

☐

3) Instead of the IRS withholding tables, please withhold

\$ _____ from each monthly payment.

This form REPLACES any previous income tax withholding instructions I sent you.

Your Signature _____ **Date** _____
(This form is not valid, unless signed.) (MM/DD/YYYY)

Illinois Municipal Retirement Fund

2211 York Road, Suite 500, Oak Brook Illinois 60523-2337

Member Services Representatives 1-800-ASK-IMRF (1-800-275-4673) Fax: (630) 706-4289

www.imrf.org

Options for submitting the W-4P:

- **eForm** — You may submit the W-4P online by signing into your IMRF Member Access account and selecting “Secure Online Forms” under the “Tools” tab. To create a Member Access Account, visit www.imrf.org/myimrf.
- **Enterable PDF** — You may enter information into the PDF Form W-4P at www.imrf.org. Print, sign, and mail or fax the form to IMRF (see contact information below.) **Do not send the IRS worksheets to IMRF.**
- **Paper form** — You may request a paper form be mailed to you by calling 1-800-ASK-IMRF (1-800-275-4673).

Sample Withholding

Depending on the amount of your IMRF monthly pension, IRS tables may **not** provide a deduction amount for federal withholding. Following the new 2013 tax tables, the annuity payment must be greater than \$508 for single with one exemption, or \$1,342 for married with two exemptions.

To assist you in determining withholding, please refer to the table below. **NOTE:** This table provides **approximate** withholding amounts, based on **rounded** monthly pension amounts. Actual withholding amounts are based on your actual monthly pension.

2013 Sample Withholding Table

Monthly Pension ↓	Marital Status - MARRIED				Marital Status - SINGLE				
	Exemptions	3	2	1	0	3	2	1	0
500.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.70
750.00		0.00	0.00	0.00	5.80	0.00	0.00	24.20	56.70
1,000.00		0.00	0.00	0.00	30.80	0.00	16.70	49.20	85.35
1,250.00		0.00	0.00	23.30	55.80	9.20	41.70	74.20	122.85
1,500.00		0.00	15.80	48.30	80.80	34.20	66.70	111.60	160.35
1,750.00		8.30	40.80	73.30	105.80	59.20	100.35	149.10	197.85
2,000.00		33.30	65.80	98.30	130.80	89.10	137.85	186.60	235.35
2,250.00		58.30	90.80	123.30	159.35	126.60	175.35	224.10	272.85
2,500.00		83.30	115.80	148.30	196.85	164.10	212.85	261.60	310.35
2,750.00		108.30	140.80	185.60	234.35	201.60	250.35	299.10	347.85
3,000.00		133.30	174.35	223.10	271.85	239.10	287.85	336.60	385.35
3,250.00		163.10	211.85	260.60	309.35	276.60	325.35	374.10	427.45
3,500.00		200.60	249.35	298.10	346.85	314.10	362.85	411.60	489.95
3,750.00		238.10	286.85	335.60	384.35	351.60	400.35	471.20	552.45
4,000.00		275.60	324.35	373.10	421.85	389.10	452.45	533.70	614.95

IRS Instructions & Worksheets

On the following pages, we are including the IRS instructions and worksheets. The worksheets allow you to refine your withholding instructions when you have multiple sources of income or need to make adjustments for other income tax adjustments and/or deductions. **Do not send the IRS worksheets to IMRF.**

If you know what withholding instructions you want to use, you will not need to complete the worksheets, just fill out the W-4P form and return it to IMRF. If you need assistance with the IRS worksheets, please consult with your tax advisor.

The IRS also has a **withholding calculator** on its web site. Go to www.irs.gov and search for “withholding calculator.”

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When Should I Complete the Form?

Complete Form W-4P and submit it to IMRF as soon as possible. Get IRS Pub. 505, Tax Withholding and Estimated Tax, to see how the dollar amount you are having withheld compares to your projected total federal income tax for 2013. You may also use the IRS Withholding Calculator at www.irs.gov/individuals for help in determining how many withholding allowances to claim on your Form W-4P.

Multiple Pensions/More Than One Income

To figure the number of allowances that you may claim, combine allowances and income subject to withholding from all sources on one worksheet. You may file a Form W-4P with each pension payer, but do not claim the same allowances more than once. Your withholding will usually be most accurate when all allowances are claimed on the Form W-4P for the highest source of income subject to withholding and zero allowances are claimed on the others.

Other Income

If you have a large amount of income from other sources that are not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Call 1-800-TAX-FORM (1-800-829-3676) to get Form 1040-ES and Pub. 505, Tax Withholding and Estimated Tax. You can also get forms and publications at www.irs.gov/formspubs.

If you have income from wages, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or Form W-4P.

Note: Social Security and railroad retirement payments may be includible in income. See Form W-4V, Voluntary Withholding Request, for information on voluntary withholding from these payments.

Withholding From Pensions and Annuities

Federal income tax withholding applies to IMRF pension payments. Withholding is figured in the same manner as withholding from wages. Because your tax situation may change from year to year, you may want to refigure your withholding each year. Unless you submit Form W-4P, tax must be withheld as if you are married claiming three withholding allowances. Generally, this means that tax will be withheld if your pension is at least \$1,680 a month.

Caution: *There are penalties for not paying enough federal income tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see Pub. 505. It explains your estimated tax requirements and describes the penalties in detail. You*

may be able to avoid quarterly estimated tax payments by having enough tax withheld from your pension using Form W-4P.

You can use Form W-4P to change the amount of tax to be withheld. You can use the first box to exempt the payments from withholding. This exemption from withholding does not apply to certain recipients who have payments delivered outside of the United States or its possessions.

For periodic payments, your withholding instruction stays in effect until you change or revoke it. IMRF must notify you each year of your right to choose not to have federal income tax withheld (if permitted) or to change your choices.

If you submit a W-4P that does not contain your correct Social Security Number (SSN), the payer must withhold as if you are single claiming zero withholding allowances, even if you checked the box on line 1 to have no federal income tax withheld.

Exemption From Income Tax Withholding

If you are a U.S. citizen or resident alien receiving periodic (monthly) payments that are delivered outside of the United States or its possessions, you may not choose exemption from income tax withholding. See IRS Pub. 505 for details.

Other recipients, such as nonresident aliens, who have these payments delivered outside the United States or its possessions may choose exemption from withholding only if an individual certifies to IMRF that the individual is not: (a) a U.S. citizen or resident alien or (b) an individual to whom section 877 applies (concerning expatriation to avoid tax). The certification must be made in a statement to IMRF under the penalties of perjury. A nonresident alien who elects exemption from withholding under section 3405 is subject to withholding under section 1441 and should complete form W-8BEN, "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding," if applicable.

Choosing not to have income tax withheld. You (or in the event of death, your beneficiary or estate) can choose not to have federal income tax withheld from your payments by using line 1 of Form W-4P. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the decedent. Enter the estate's employer identification number (EIN) in the area reserved for "Your social security number" on Form W-4P.

You may not make this choice for eligible rollover distributions.

continued...

Changing Your “No Withholding” Choice

If you previously chose not to have federal income tax withheld and you now want withholding, complete another Form W-4P and submit it to IMRF. If you want federal tax withheld at the rate set by law (married with three allowances), write “Revoked” by the first check box. If you want tax withheld at any different rate, complete one of the other check boxes.

Statement of Federal Income Tax Withheld from Your Pension

By January 31 of the next year, IMRF will mail to you a statement (IRS Form 1099-R) showing the total amount of your pension and the total federal income tax withheld during the year.

If you were a foreign person who has provided your payer with Form W-8BEN, your payer instead will furnish a statement to you on Form 1042-S, Foreign Person’s U.S. Source Income Subject to Withholding, by March 15 of next year.

Payments to Foreign Persons and Payments Outside the United States

Unless you are a nonresident alien, withholding (in the manner described above) is required on any periodic or nonperiodic payments that are delivered to you outside the United States or its possessions. You cannot choose not to have federal income tax withheld on line 1 of Form W-4P. See Pub. 505 for additional details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are subject to a 30% withholding tax under section 1441 on the taxable portion of a periodic or nonperiodic pension or annuity payment that is from U.S. sources. However, most tax treaties provide that private pensions and annuities are exempt from withholding and tax. Also, payments from certain pension plans are exempt from withholding even if no tax treaty applies. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for details. A foreign person should submit Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, to the payer before receiving any payments. The Form W-8BEN must contain the foreign person’s taxpayer identification number (TIN).

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request federal income tax withholding from periodic

pension or annuity payments based on your withholding allowances and marital status, (b) request additional federal income tax withholding from your pension or annuity, (c) choose not to have federal income tax withheld, when permitted, or (d) change or revoke a previous Form W-4P. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s). Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

Note: This form is IMRF’s version of IRS Form W-4P. IMRF will accept either version.

IRS Worksheets

(DO NOT return any worksheets to IMRF)

Pension or Annuity Payments

Unless you tell IMRF otherwise, tax must be withheld on periodic (monthly) payments as if you are married and claiming three withholding allowances. This means you will have income tax withholding if your pension is more than \$1,667 a month.

What do I need to do? If you do not want any income tax withheld, you can skip the worksheets and go directly to the Form W-4P. Otherwise, you should complete lines A through G below.

Personal Allowances Worksheet (Keep for your records)

A Enter "1" for yourself if no one else can claim you as a dependent A _____

B Enter "1" if:

- You are single and have only one pension; or
- You are married, have only one pension, and your spouse has no income subject to withholding; or
- Your income from a second pension or a job, or your spouse's pension or wages (or the total of all) is \$1,500 or less B _____

C Enter "1" for your **spouse**. But, you may choose to enter—0—if you are married and have either a spouse who has income subject to withholding or you have more than one source of income subject to withholding. (Entering 0 may help you avoid having too little tax withheld.) C _____

D Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return. D _____

E Enter "1" if you will file as **head of household** on your tax return E _____

F Child Tax Credit (including additional Child Tax Credit). See Pub. 972, Child Tax Credit, for more information.

- If your total income will be less than \$65,000 (\$95,000 if married), enter "2" for each eligible child; then less "1" if you have three to seven eligible children or less "2" if you have eight or more children.
- If your total income will be between \$65,000 and \$84,000 (\$95,000 and \$119,000 if married), enter "1" for each eligible child F _____

G Add lines A through F and enter total here. (**Note:** *This may be different from the number of exemptions you claim on your tax return*) G _____

For accuracy, **complete all of the following worksheets that apply:**

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 4.
- If you are **single and have more than one source of income subject to withholding** or are **married and you and your spouse both have income subject to withholding** and your combined income from all sources exceeds \$40,000 (\$10,000 if married), see the **Multiple Pensions/More Than One Income Worksheet** on page 4 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line G on line 2b of Form W-4P.

Note: Use this worksheet **only** if you plan to itemize deductions, claim certain credits or adjustments to income.

- 1 Enter an estimate of your 2013 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions. **1** \$ _____
- 2 Enter: $\left\{ \begin{array}{l} \$12,200 \text{ if married filing jointly or qualifying widow(er)} \\ \$8,950 \text{ if head of household} \\ \$6,100 \text{ if single or married filing separately} \end{array} \right\}$ **2** \$ _____
- 3 **Subtract** line 2 from line 1. If line 2 is greater than line 1, enter -0- **3** \$ _____
- 4 Enter an estimate of your 2013 adjustments to income, and any additional standard deduction (see Pub. 505) **4** \$ _____
- 5 **Add** Lines 3 and 4 and enter the total (Include any credit amounts from the *Converting Credits to Withholding Allowances* for 2013 Form W-4 worksheet in Pub. 505.) **5** \$ _____
- 6 Enter an estimate of your 2013 income not subject to withholding (such as dividends or interest) **6** \$ _____
- 7 **Subtract** line 6 from line 5. If zero or less enter "0" **7** \$ _____
- 8 **Divide** the amount on line 7 by \$3,900 and enter the result here. Drop any fraction **8** _____
- 9 Enter the number from the **Personal Allowances Worksheet**, line G, page 3 **9** _____
- 10 Add lines 8 and 9 and enter the total here. If you use the **Multiple Pensions/More-Than-One-Income Worksheet**, also enter this total on line 1 below. Otherwise, **stop here** and enter this total on Form W-4P, Line 2b. **10** \$ _____

Multiple Pensions/More-Than-One-Income Worksheet

Note: Complete only if the instructions under line G, Page 3 direct you here. This applies if you (and your spouse if married filing a jointly) have more than one source of income subject to withholding (such as more than one pension, or a pension and a job, or you have a pension and your spouse works).

- 1 Enter the number from line G, page 3 (or from line 10 above if you used the **Deductions and Adjustments Worksheet**) **1** _____
- 2 Find the number in **Table 1** below that applies to the **LOWEST** paying pension or job and enter it here. **However**, if you are married filing jointly and the amount from the highest paying pension or job is \$65,000 or less, do not enter more than "3." **2** _____
- 3 If line 1 is **MORE THAN OR EQUAL TO** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter -0-) and on Form W-4P, line 2b, page 3. **Do not** use the rest of this worksheet **3** _____
Note: If line 1 is **LESS THAN** line 2, enter -0- on Form W-4P, line 2b. Complete lines 4-9 below to calculate the additional withholding amount necessary to avoid a year end tax bill.
- 4 Enter the number from line 2 of this worksheet **4** _____
- 5 Enter the number from line 1 of this worksheet **5** _____
- 6 **Subtract** line 5 from line 4 **6** _____
- 7 Find the amount in **Table 2** below that applies to the **HIGHEST** paying pension or job and enter it here **7** \$ _____
- 8 **Multiply** line 7 by line 6 and enter the result here. This is the additional annual withholding needed. **8** \$ _____
- 9 **Divide** line 8 by the number of months remaining in 2013. For example, divide by 12 if you complete this form in December 2012. Enter the result here and on Form W-4P, line 2c. This is the additional amount to be withheld from each payment. **9** \$ _____

Table 1

Married Filing Jointly		All Others	
If wages from LOWEST paying pension or job are-	Enter on line 2 above	If wages from LOWEST paying pension or job are-	Enter on line 2 above
\$0 - \$5,000	0	\$0 - \$8,000	0
5,001 - 13,000	1	8,001 - 16,000	1
13,001 - 24,000	2	16,001 - 25,000	2
24,001 - 26,000	3	25,001 - 30,000	3
26,001 - 30,000	4	30,001 - 40,000	4
30,001 - 42,000	5	40,001 - 50,000	5
42,001 - 48,000	6	50,001 - 70,000	6
48,001 - 55,000	7	70,001 - 80,000	7
55,001 - 65,000	8	80,001 - 95,000	8
65,001 - 75,000	9	95,001 - 120,000	9
75,001 - 85,000	10	120,001 and over	10
85,001 - 97,000	11		
97,001 - 110,000	12		
110,001 - 120,000	13		
120,001 - 135,000	14		
135,001 and over	15		

Table 2

Married Filing Jointly		All Others	
If wages from HIGHEST paying pension or job are-	Enter on line 7 above	If wages from HIGHEST paying pension or job are-	Enter on line 7 above
\$0 - \$72,000	\$ 590	\$0 - \$37,000	\$ 590
72,001 - 130,000	980	37,001 - 80,000	980
130,001 - 200,000	1,090	80,001 - 175,000	1,090
200,001 - 345,000	1,290	175,001 - 385,000	1,290
345,001 - 385,000	1,370	385,001 and over	1,540
385,001 and over	1,540		