



Watertown Contributory Retirement System

Substitute Form W-4P

Withholding certificate for pension or annuity payments

PART 1

MEMBER DATA

Name.....First M. Last

Address....Number and street

City, State, Zip

PART 2

FEDERAL TAX WITHHOLDING INSTRUCTIONS

IMPORTANT—PLEASE READ CAREFULLY:

- **Your retirement benefit is subject to federal income taxes.**
Please use this form to instruct us whether you want us to withhold any amount from your monthly retirement benefit for federal income taxes, and, if so, how much.
- **You are liable for payment of federal income tax on the taxable portion of your pension.**
If you elect not to have federal income tax withheld from your monthly benefit or if you do not have a sufficient amount withheld, you may be responsible for payment of estimated taxes. Additionally, if your withholding amount, if any, and/or payments of estimated taxes are not sufficient, you may be subject to tax penalties under the IRS's estimated tax rules.
- **Your tax withholding instructions, if any, will remain in effect until you change them, and you may change your instructions at any time during your retirement.**
To change your withholding instructions, simply complete and submit a new Substitute Form W-4P.
- **If you do not complete this form, Federal Income Tax will be withheld at as if you were married claiming three (3) exemptions.**
If the taxable portion of your monthly benefit is more than the withholding level for a married person claiming three dependents, and you do not complete this form, we are required by federal law to withhold at the rate set for a married taxpayer with three exemptions.
- **If you need help completing this form, please consult a tax expert or the IRS.**
For the complete Form W-4P which includes a step-by-step worksheet please contact this office or visit the IRS website at www.irs.gov.

All changes must be received by the 20th of each month in order to take effect in the next benefit payment. (for example, by June 20th for your June benefit payment).

Please indicate your federal tax withholding instructions by checking only ONE box below:

- I do **NOT** want any federal income taxes withheld from my monthly benefit.
- I want federal income taxes withheld from my monthly benefit based on the IRS tax tables and the marital status and number of exemptions claimed below, and I understand that the amount withheld will automatically change if and when the federal tax rates are adjusted (*complete a, b and c*):
- a) Marital status (check one). . Single Married Married, but withhold higher "single" rate
- b) Total number of exemptions claimed (if left blank, zero will be used)
- c) Additional amount to be withheld, if any . . . \$ /MO
- I want federal income taxes withheld from my monthly benefit in the flat amount of: \$ /MO

I understand that this amount WILL NOT be changed if and when the federal rates are adjusted. It will remain the same until another Substitute W-4P is completed and returned to the retirement office.

Signature

Date