

## NOTICE REGARDING FEDERAL AND STATE INCOME TAX WITHHOLDING REQUIREMENTS ON RETIREMENT INCOME

You may elect to have federal or state tax withheld from your retirement allowance at whatever rate you choose. You may elect NOT to have withholding deducted from your retirement allowance (Line 1) or you may choose to have LACERA deduct an amount based on the tax tables (Line 2a and 2b). If you wish to designate an *additional* amount of income tax withheld, complete Lines 2(a) **and** (b) and Line 3.

**NOTE:** If you wish to designate a specific amount of **California state** income tax withheld (Form DE-4P), you may elect to complete Line 3. This applies **only** to California form DE-4P; you **may not** designate a specific amount of **federal** income tax be withheld on Form W-4P.

**You must have this federal and state tax withholding form on file with LACERA. If you do not complete this tax form, your allowance will be taxed as if you were a married person claiming three (3) withholding exemptions.** (*Different rules may apply to service-connected disabilities; see below.*) In compliance with Federal law, California income tax is not withheld from your retirement allowance if you reside outside of California. However, if you are receiving other income from California that is subject to state tax, you may elect to have LACERA withhold taxes from your retirement allowance to satisfy your other California obligation.

**If you have a Service Retirement**, withholding will be based on your gross allowance. **If you were granted a Service-Connected Disability**, withholding tax will be based solely on the **taxable portion** of your allowance.

### EXCLUDABLE INCOME

The Internal Revenue Code provides for exclusion of a computed percentage of your retirement pay each year for life. This percentage is based on an IRS table for life expectancy. (*For additional information contact the IRS for Publication 575.*)

If you decide to have federal or state income tax withheld from your retirement allowance, it is your responsibility to make sure your net allowance, after other deductions, is large enough to cover the amount you want withheld. If it is not, one or more of your other payroll deductions could be automatically discontinued.

Remember, LACERA cannot refund any tax it withholds from your retirement allowance. Your election to withhold or not withhold will remain in effect until you revoke it. You may revoke your election or change the amount withheld at any time by notifying LACERA in writing.

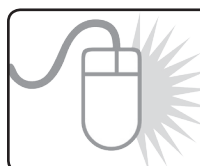
If you elect not to withhold federal or state income tax from your retirement allowance, or if you do not withhold enough tax, you may be responsible for payment of estimated tax. If your withholding and estimated tax payments are not sufficient, you may incur penalties under the estimated tax rules.

### SERVICE-CONNECTED DISABILITIES (SCD)

- **If your SCD allowance is equal to 50 percent of your final compensation at retirement**, under IRS Code your allowance qualifies as *fully* non-taxable. Therefore, LACERA will **not** deduct withholding tax unless you direct us to do so.\*
- **If your SCD allowance exceeds 50 percent of your final compensation at retirement**, the portion of your allowance over 50 percent is taxable; your withholding tax will be based on that portion only.\*
- **If your SCD was granted prior to 2008, based on a “heart presumption”** pursuant to Government Code Section 31720.5, LACERA will report an amount equal to 50 percent of your final compensation as “Taxable Amount Not Determined” on your 1099-R. Any portion of your allowance over 50 percent is taxable; withholding tax will be based on that portion only.

\*Includes post-2007 “heart presumption” SCDs.

**The withholding tax elections you indicate become effective with the pay cycle following LACERA’s receipt of this form.** If at any time you wish to change your federal or state withholding tax elections, you may do so online (My LACERA) or get a copy of the form on [lacera.com](http://lacera.com)’s Brochures & Forms page and fax or mail it to LACERA.



**CHANGE YOUR TAX WITHHOLDING ONLINE**  
Visit [lacera.com](http://lacera.com), My LACERA, Tax Info

Return completed form to: LACERA, P.O. Box 7060, Pasadena, CA, 91109-7060 or fax 626-564-6155.

Please read the back side of this form before completing.

Form **W-4P**  
Dept. of the Treasury  
Internal Revenue Service

**FEDERAL**  
WITHHOLDING CERTIFICATE  
FOR PENSION OR ANNUITY PAYMENTS

Name \_\_\_\_\_

Member

Social Security # \_\_\_\_\_

Survivor  Legal Payee

**Complete Line 1 OR Line 2(a) and (b).**

**If you complete Line 2 (a) and (b) and you wish to have additional taxes withheld, complete Line 3.**

1.  Check here if you **do NOT want any** federal income tax withheld from your pension or annuity.  
(Do not complete lines 2 or 3)

2. Total number of allowances and marital status you are claiming for withholding from each periodic pension or annuity payment. (**NOTE:** You may also designate an additional dollar amount on line 3)

(a) Enter number of allowances: \_\_\_\_\_

(b) Marital status (check only one):

Single\*  Married  Married, but withhold at higher "Single" rate\*

3. Additional amount you would like withheld from each periodic pension or annuity payment: \$ \_\_\_\_\_

**NOTE: Before entering an amount here on line 3, you must enter a number of allowances (even if it's zero) on line 2(a), and check one of the marital status boxes in 2(b).**

\*The same IRS tax table applies to these two categories: *Single or Married, but withhold at higher "Single" rate.* As a result, our system applies the same computer processing code to both groups. Therefore, **for tax coding purposes only**, the "system" sees both categories as "single." This tax coding process **does not affect your marital status designation** on record in your LACERA membership information.

**DE-4P**

**E**mployment  
**D**evelopment  
**D**epartment

**CALIFORNIA STATE**  
WITHHOLDING CERTIFICATE  
FOR PENSION OR ANNUITY PAYMENTS

**Complete ONLY ONE of the following: Line 1, Line 2 (a and b), or Line 3.**

1.  I elect **NOT** to have state income tax withheld from my pension or annuity.

— or —

2. I want my state withholding from each periodic pension or annuity payment to be figured using the number of allowances and marital status shown below. **NOTE:** *You may also designate an additional amount on line (c).*

(a) Enter number of allowances: \_\_\_\_\_

(b) Marital status (check only one):

Single or Married (with two or more incomes)\*  Married (one income)  Head of Household

(c) Additional amount, if any, to be withheld from each periodic pension or annuity payment: \$ \_\_\_\_\_

**NOTE: Before entering an amount here, you must enter a number of allowances (even if it's zero) on line 2(a), and check one of the marital status boxes in 2(b).**

— or —

3. I want this designated amount withheld from each periodic pension or annuity payment: \$ \_\_\_\_\_

\*The same California tax table applies to these two categories: *Single or Married (with two or more incomes).* As a result, our system applies the same computer processing code to both groups. Therefore, **for tax coding purposes only**, the "system" sees both categories as "single." This tax coding process **does not affect your marital status designation** on record in your LACERA membership information.

Signature **X** \_\_\_\_\_ Date \_\_\_\_\_

**NOTE: THIS WITHHOLDING INFORMATION REPLACES ANY PRIOR ELECTION INFORMATION.**

