

## **Q&As: Changes to IRS Form W-4P for 2022**

The IRS revised the W-4P federal tax withholding form with the intention that taxpayers would start using it in 2022. However, based on the latest IRS guidance, taxpayers are not required to start using the 2022 version of W-4P until 2023. Therefore, LACERA members should continue to use the 2021 form until further notice.

### **1. Q: When will LACERA start using the 2022 W-4P?**

**A:** The IRS has made the 2022 version of the W-4P form available for use now, but payers such as LACERA are not required to start using it until January 2023. LACERA can continue using the 2021 version of the W-4P until the transition to the new form. We will update the information on our website when we are ready to start using the 2022 W-4P. The Forms & Publications page on lacera.com will have the most up-to-date tax withholding form currently being used.

### **2. Q: What will happen if I submit a 2022 W-4P before LACERA starts using the new form?**

**A:** If you are currently receiving a monthly retirement benefit, the 2022 form you submitted will be rejected, and no changes will be made to your current tax withholding election. To change your withholding election, we encourage you to login to My LACERA and make the changes online. You may also change your withholding election by uploading a 2021 form using My LACERA or by mailing the form to LACERA.

If your monthly retirement benefits have not started, and the 2022 form is received before we start using the 2022 form, and you have no prior withholding election on file, the IRS requires a minimum default status of *married claiming three withholding allowances*. To have your withholdings based on a status other than the default, submit a 2021 form before your payments are scheduled to start. When submitting the 2021 form, we encourage you to upload it using My LACERA. You may also mail the 2021 form to LACERA.

**NOTE:** You can download the 2021 form from the Forms and Publications section of LACERA.com.

### **3. Q: If I do nothing, will LACERA change how it calculates federal tax withholding for the monthly benefit payments I am currently receiving?**

**A:** We will not change how your federal tax withholding is calculated unless you either submit a new 2021 W-4P before we start using the 2022 form or submit a 2022 W-4P after we start using the 2022 form.

**4. Q: What if I am already receiving monthly benefit payments from LACERA and I submit a new 2021 W-4P for those payments after LACERA starts using the 2022 form?**

**A:** We will reject your 2021 W-4P and ask you to submit your new tax withholding election by using the 2022 form. If you do not submit a 2022 form, we will not change how we calculate your federal withholding.

To change your withholding election, we encourage you to login to My LACERA and make the changes online. You may also change your withholding election by uploading the 2022 form (once we make it available for use) using My LACERA or by mailing the form to LACERA.

**5. Q: What will happen if I submit a 2021 W-4P for monthly benefit payments that will not begin until after LACERA starts using the 2022 form?**

**A:** If your payments are scheduled to begin in 2022 and we receive the 2021 W-4P before the date on which we start using the 2022 form, we will calculate your federal withholding based on the 2021 W-4P.

If your payments are scheduled to begin on or after the date on which we start using the 2022 form (whether that occurs in 2022 or on January 1, 2023) we will reject the 2021 W-4P and ask you to submit a 2022 form. We will calculate your federal withholding for the payments based either on the 2022 W-4P you submit or the new default status of *single with no adjustments* if you do not submit a 2022 form before your payments are scheduled to begin. To submit the 2022 form, we encourage you to upload it using My LACERA. You may also mail the form to LACERA.

**6. Q: When LACERA starts using the 2022 W-4P, how will that impact my federal tax withholding?**

**A:** If your federal withholding for monthly benefit payments that have already started is currently based on a valid 2021 (or older) W-4P, nothing will change about how LACERA calculates your federal withholding unless you submit a new 2022 W-4P. You are not required to submit a new W-4P for payments that have already started.

If we receive a 2022 W-4P from you after we start using that form, we will calculate your federal withholding based on the 2022 form. You may see a difference in your withholding amount due to the different calculations the 2022 form requires.

Since everyone's financial situation is different, we do not know how the federal withholding calculation based on the 2022 W-4P will impact each of our payees. The 2022 W-4P and instructions for the form are available now on the IRS website. If you would like more information about the new form and its potential impact, we encourage

you to visit [www.irs.gov](http://www.irs.gov) or consult with a tax professional. LACERA does not offer tax or legal advice.