



Guide for Completing Form W-4P

This guide is a reference for you to use when completing Form W-4P. It will walk you through each step and explain how to complete each data entry field on the form.

You can find the full official instructions and latest information for Form W-4P at <https://www.irs.gov/pub/irs-pdf/fw4p.pdf>.

Form Step 1: Personal Information

Regardless of your federal withholding election, you must complete all data entry fields in Step 1. Provide your name, address, and Social Security number where prompted. The form is not valid without your Social Security number. Also, the address you provide on the form should be your **home address** if your mailing address is different.

Check only one box for your filing status on Line 1(c).

Step 1: Enter Personal Information	(a) First name and middle initial LACERA M	Last name MEMBER	(b) Social security number 000 00 0000
	Address 1234 1st St.		
	City or town, state, and ZIP code Pasadena, CA 90000		
	(c) <input type="checkbox"/> Single or Married filing separately <input checked="" type="checkbox"/> Married filing jointly or Qualifying widow(er) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

Electing No Federal Withholding

If you want to opt out of federal withholding using the W-4P, the address you enter in Step 1 must be a U.S. residence address (i.e., street or rural road), and your home address in LACERA's records must be a U.S. residence address. If you meet the address requirement, you may opt out of federal withholding for your LACERA monthly benefit payments by indicating "No Withholding" in the space under Line (c) in Step 4. You still need to sign and date the form in Step 5 if you opt out of federal withholding.

Step 4 (optional): Other Adjustments	(a) Other income (not from jobs or pension/annuity payments). If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends.	4(a)	
	(b) Deductions. If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b)	
	(c) Extra withholding. Enter any additional tax you want withheld from each payment	4(c)	
	<input type="checkbox"/> Select if "No Withholding"		

Form Step 2: Income From Other Jobs and Pensions/Annuities

The purpose of Step 2 is to account for taxable income received for other jobs or pensions/annuities in addition to your LACERA retirement benefit. If you are receiving multiple monthly benefits from LACERA (for example, a service retirement benefit and a survivor benefit), you must make your federal withholding elections on a separate W-4P form for each individual benefit. Do not include the income for your LACERA benefit (the one for which your W-4P will apply) in Step 2 or anywhere else on the form. If you have another LACERA benefit, you can include that as pension income in Step 2 if it qualifies based on the instructions below.

All amounts entered in Step 2 should represent **only taxable income**; do not include nontaxable amounts. If you are not sure about how much of your income is taxable, your recent W-2 form, 1099-R form, or paystubs should distinguish between taxable and nontaxable.

Complete Step 2 if either of the following is true:

- You are filing for yourself and receive income for another job or pension/annuity.
- You are married and filing jointly, and either you or your spouse receives income for another job or pension/annuity.

If neither condition listed above applies to you, leave Step 2 blank, and skip ahead to Form Step 3.

If you do need to complete Step 2, you will need copies of the W-4 forms for your (and/or your spouse's) current jobs and copies of the W-4P forms for other retirement pensions or annuities for which you or your spouse currently receive income. Please do not submit W-4 or W-4P forms for your other sources of income to LACERA.

Completing Line 2(b)(i): Job Income

The amount you enter on Line 2(b)(i) represents the total taxable annual pay for your other jobs, plus any taxable income from Line 4(a) on the W-4 forms for your other jobs, less any deduction amounts from Line 4(b) on the W-4 forms for your other jobs.

Other Pension or Annuity Income Data Entry Example:

Total taxable annual pay for other jobs	+	Total taxable income from Line 4(a) on the W-4 forms for other jobs	-	Total tax deduction amounts from Line 4(b) on the W-4 forms for other jobs	=	Line 2(b)(i) amount
\$25,000	+	\$1,000	-	\$500	=	\$25,500

(b) Complete the items below.

- (i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter "-0-" ▶ \$ 25,500

Completing Line 2(b)(ii): Other Pension or Annuity Income

The amount you enter on Line 2(b)(ii) represents the total annual taxable income for your other pensions or annuities that **individually pay less taxable income annually than your**

LACERA benefit. If either you or your spouse has an annuity or pension that is paying more taxable income annually than your LACERA benefit, exclude the income for that higher-paying annuity or pension from the amount entered on Line 2(b)(ii).

Example 1. Your annual LACERA benefit is \$50,000 taxable and you have an annuity that pays \$25,000 taxable annually. The amount to enter on Line 2(b)(ii) should be \$25,000.

Example 2. Your annual LACERA benefit is \$50,000 taxable, you have an annuity that pays \$25,000 taxable annually, and your spouse has a pension that pays \$35,000 taxable annually. The amount to enter on Line 2(b)(ii) should be \$60,000 because \$25,000 and \$35,000 are both less than \$50,000.

Example 3. Your annual LACERA benefit is \$50,000 taxable and you have another pension that pays \$60,000 taxable annually. The amount on Line 2(b)(ii) should not include the \$60,000 for your other pension.

Note: Refer to the W-4P official general instructions for more Step 2 income examples.

Other Pension or Annuity Income Data Entry Example:

Annual taxable income for your other pension or annuity	+	Annual taxable income for your spouse's pension or annuity	=	Line 2(b)(ii) amount
25,000	+	35,000	=	60,000

(ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter "-0-" ▶ \$ 60,000

Completing Line 2(b)(iii): Total Income for Jobs and Other Pensions or Annuities

The amount you enter on Line 2(b)(iii) should be the total of the amounts entered on Lines 2(b)(i) and 2(b)(ii), so make sure your calculations are accurate.

Step 2: Income From a Job and/ or Multiple Pensions/ Annuities (Including a Spouse's Job/Pension/ Annuity)	Complete this step if you (1) have income from a job or more than one pension/annuity, or (2) are married filing jointly and your spouse receives income from a job or a pension/annuity. See page 2 for examples on how to complete Step 2.
	Do only one of the following.
	(a) Reserved for future use.
	(b) Complete the items below.
(i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter "-0-" ▶ \$	25,500
(ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter "-0-" ▶ \$	60,000
(iii) Add the amounts from items (i) and (ii) and enter the total here ▶ \$	85,500

Form Step 3: Claim Tax Credits

Step 3 is for claiming tax credits to reduce your federal withholding amount. If you do not know which credits you are eligible to claim or how much of a credit you are eligible to claim, please refer to the IRS publications or consult a professional tax advisor. Overestimating your eligible tax credits could result in under-withholding of federal tax during the year and an unexpectedly high amount of tax owed at the end of the year. Conversely, underestimating your eligible tax credits could result in more federal tax withholding than necessary from your payments during the year.

If you want to claim tax credits, determining whether you should complete Step 3 on the W-4P for your LACERA benefit depends on several different factors, which are explained next. You may not be eligible to claim tax credits on W-4P, and depending on your situation, the W-4P for your LACERA benefit may not be the appropriate form for you to use to claim eligible tax credits.

Factor 1: Annual Taxable Income Limits

To claim tax credits in Step 3, your total annual taxable income must be \$200,000 or less if you are filing for yourself or \$400,000 or less if you are married and filing jointly. If you do not meet the income limits, leave Step 3 blank, and skip ahead to Form Step 4.

Factor 2: No Income From Other Jobs

If you do not have income from other jobs to consider, determining whether you should complete Step 3 on the W-4P for your LACERA benefit depends on whether you have another pension or annuity that pays a higher taxable amount annually than your LACERA benefit.

Complete Step 3 on the W-4P for your LACERA benefit if both of the following are true:

- Neither you nor your spouse is receiving income for another job.
- Neither you nor your spouse has another pension or annuity that is paying more taxable income annually than your LACERA benefit.

Do not complete Step 3 on the W-4P for your LACERA benefit if both of the following are true:

- Neither you nor your spouse is receiving income for another job.
- Either you or your spouse has another pension or annuity that is paying more taxable income annually than your LACERA benefit.

If both conditions listed above apply to your situation, do not complete Step 3 on the W-4P for your LACERA benefit. Instead, complete Step 3 only on the W-4P for the highest-paying pension or annuity that is paying more taxable income annually than your LACERA benefit. Please do not submit W-4P forms for your other pensions or annuities to LACERA.

Factor 3: Income From Other Jobs

If either you or your spouse is receiving income for another job, do not complete Step 3 on the W-4P for your LACERA benefit. Instead, complete Step 3 **on the W-4 for the other job**.

Entering Individual Amounts for Step 3

Step 3 has lines for claiming qualifying child credits, other dependent credits, and other credits.

Qualifying child credits. The amount you enter on the line for qualifying child credits represents your total number of qualifying children under age 17 multiplied by \$2,000. For example, if you have two qualifying children aged 13 and 15, the amount entered should be \$4,000.

Other dependent credits. The amount you enter on the line for other dependent credits represents your total number of other dependents multiplied by \$500. For example, if you have two dependents who are not qualifying children under age 17, the amount entered should be \$1,000.

Other credits. The amount you enter on the line for other credits, such as foreign tax credits or education tax credits, represents the total amount you are claiming for all other credits.

Completing Line 3: Amount of Total Credits Claimed

The amount you enter on Line 3 should be the total of the amounts entered on the other lines. LACERA must use the amount you enter on Line 3 even if it does not equal the total of the amounts entered on the other lines, so make sure your calculations are accurate.

Step 3: Claim Dependent and Other Credits	If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
	Multiply the number of qualifying children under age 17 by \$2,000 . . . ▶	\$ 4,000	
	Multiply the number of other dependents by \$500 . . . ▶	\$ 1,000	
	Add other credits, such as foreign tax credit and education tax credits . . . ▶	\$ 2,000	
	Add the amounts for qualifying children, other dependents, and other credits and enter the total here	3	\$ 7,000

Form Step 4: Optional Adjustments

Step 4 is for providing additional optional information to reduce or increase your federal withholding amount. If you are not sure whether the optional adjustments are necessary for your situation, please refer to the IRS publications or consult a professional tax advisor.

Special Consideration for Lines 4(a) and 4(b)

Whether you should include the information for the optional adjustments on Lines 4(a) and 4(b) on the W-4P for your LACERA benefit depends on most of the same factors addressed earlier in this document for Form Step 3.

Factor 1: No Income From Other Jobs

If you do not have income from other jobs to consider, determining whether you should complete Lines 4(a) and 4(b) on the W-4P for your LACERA benefit depends on whether you have another pension or annuity that pays a higher taxable amount annually than your LACERA benefit.

Complete Lines 4(a) and 4(b) on the W-4P for your LACERA benefit if both of the following are true:

- Neither you nor your spouse is receiving income for another job.
- Neither you nor your spouse has another pension or annuity that is paying more taxable income annually than your LACERA benefit.

Do not complete Lines 4(a) and 4(b) on the W-4P for your LACERA benefit if both of the following are true:

- Neither you nor your spouse is receiving income for another job.
- Either you or your spouse has another pension or annuity that is paying more taxable income annually than your LACERA benefit.

If both conditions listed above apply to your situation, complete Lines 4(a) and 4(b) on only the W-4P for the highest-paying pension or annuity that is paying more taxable income annually than your LACERA benefit.

Factor 2: Income From Other Jobs

If either you or your spouse is receiving income for another job, do not complete Lines 4(a) and 4(b) on the W-4P for your LACERA benefit. Instead, complete Lines 4(a) and 4(b) **on the W-4 for the other job.**

Completing Line 4(a): Other Income (Not From Jobs or Pensions/Annuities)

The amount you enter on Line 4(a) represents any other taxable non-job-related or pension/annuity income you do not expect to be taxed when it is paid to you. Examples of such income are interest earnings, taxable Social Security benefits, or stock dividends. By entering additional taxable income on this line, you are increasing the amount of taxable income to be used in calculating the federal withholding for your LACERA benefit. **Do not include income on this line that you already included in Form Step 2.**

(a) **Other income (not from jobs or pension/annuity payments).** If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends.

4(a)	\$ 4,000
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Completing Line 4(b): Deductions

The amount you enter on Line(b) represents a deduction amount other than the basic standard deduction. The official W-4P instructions provide a worksheet you can use to calculate a different deduction amount to enter on this line.

Completing Line 4(c): Extra Withholding

The amount you enter on Line 4(c) represents any additional federal tax to withhold from your LACERA benefit payments.

(b) **Deductions.** If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here

4(b)	\$ 15,000
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(c) **Extra withholding.** Enter any additional tax you want withheld from each payment

4(c)	\$ 200
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Form Step 5: Signature and Date

Remember to sign and date the form. Your W-4P is not valid unless you sign it.

Step 5: Sign
Here

LACERA Member

1/10/2023

► Your signature (This form is not valid unless you sign it.)

► Date

Step 5 is the final data entry section on the form.

Final Steps

After completing your Form W-4P, review the entries you made in each step for accuracy, and make sure you completed all required data entry fields.

If you completed the electronic version of the W-4P in your My LACERA account, your entries will be instantly recorded once you complete the electronic submission process.

If you completed the paper version of the W-4P, your options for submitting the form to LACERA for processing are listed below.

- **Upload to:** Your My LACERA account, via lacera.com (recommended)
- **Mail to:** LACERA, P.O. Box 7060, Pasadena, CA, 91109-7060
- **Onsite mail drop:** Outside the Member Service Center at our Pasadena offices at 300 N. Lake
- **Fax to:** 626-564-6155