



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

- Federal W-4P Form
- CA State DE-4P Form

**You must have a federal and California 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 withholding exemptions.**

**If you have a Service Retirement**, withholding will be based on your gross allowance.

If you want 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 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.

## **EFFECTIVE DATE**

**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 California state withholding tax elections, you may do so on My LACERA or get a copy of this form on the Brochures & Forms page of lacera.com and fax or mail it to LACERA.

**Check with a professional advisor to determine which withholding category is best for your personal situation; LACERA does not provide tax advice.**

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# NOTICE REGARDING FEDERAL INCOME TAX WITHHOLDING REQUIREMENTS ON RETIREMENT INCOME

- You may elect to have federal 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).
- You may elect to have LACERA deduct an amount based on the tax tables (lines 2a and 2b). To designate an additional amount of income tax withheld, complete line 3.

Tell us who you are:  Member  Survivor  Legal Payee

Name \_\_\_\_\_ Social Security No. \_\_\_\_\_

Home Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Email \_\_\_\_\_

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

## FEDERAL WITHHOLDING CERTIFICATE FOR PENSION OR ANNUITY PAYMENTS

Complete **ONLY ONE** of the following: line 1 OR line 2a and b and line 3.\*

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

– OR –

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

a. Number of allowances \_\_\_\_\_

b. Marital status (check only one):  Single\*\*  Married  Married, but withhold at higher "Single" rate\*\*

3. **OPTIONAL:** Additional amount, if any, to be withheld from each periodic pension or annuity payment: \$ \_\_\_\_\_

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

\*Except for lines 2a and b and line 3, if you complete more than one line, your form will be rejected.

\*\*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 with LACERA.

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

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

### SPECIAL FEDERAL TAX RULES APPLY:\*

IRS Code requires LACERA to automatically withhold federal income tax at the married and claiming three exemptions rate from:

- **Individuals who provide a P.O. Box as their home address** and
- **U.S. citizens and resident aliens who are living outside of the United States.**

To have LACERA withhold federal tax at a rate *other than* married with three exemptions (allowances) or to elect not to have tax withheld, **use this form to submit a U.S. home address with a street number.**\*\* (*In the event of an IRS audit, it will be your responsibility to substantiate your residence. LACERA is not responsible for the address you submit.*)

\*Special rules apply to federal tax only. California state tax withholding elections are not affected.

\*\*Exact dollar amounts associated with each withholding category will vary from individual to individual. If the category you elect results in a lower withholding amount, LACERA will withhold at the married with three exemptions amount.

### COMPLETE THIS SECTION ONLY IF YOU WISH TO ADD A U.S. HOME ADDRESS WITH STREET NUMBER

If you complete this section, we will update your Home Address with Street Number only. Your current address on file will be maintained as your mailing address.\*

Home Address with Street Number \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

\*LACERA allows you to have multiple addresses on file for different purposes: a Home Address with Street Number, a separate Mailing Address for LACERA correspondence, and a separate address just for Automatic Deposit Receipts (ADR)/Checks. To change any of these addresses, visit My LACERA, or the brochures section of lacera.com, or call Member Services at 800-786-6464. **If you are enrolled in Kaiser Senior Advantage, UHC Medicare Advantage, or SCAN, your Home Address with Street Number must not be a P.O. Box or foreign address.**



# NOTICE REGARDING CALIFORNIA STATE INCOME TAX WITHHOLDING REQUIREMENTS ON RETIREMENT INCOME

- You may elect to have California 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).
- You may elect to have LACERA deduct an amount based on the tax tables (lines 2a and 2b). To designate an additional amount of income tax withheld, complete line 3.
- You may designate a specific amount of California income tax withheld on line 4.

In compliance with federal law, California income tax is not withheld from your retirement allowance if you reside outside 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.

Tell us who you are:  Member  Survivor  Legal Payee

Name \_\_\_\_\_ Social Security No. \_\_\_\_\_

Home Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Email \_\_\_\_\_

Form **DE-4P**

Employment  
Development  
Department

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

Complete **ONLY ONE** of the following: line 1, lines 2a and b and line 3, or line 4.\*

- I elect **NOT** to have California state income tax withheld from my pension or annuity.  
— OR —
- Total number of allowances and marital status you are claiming for withholding from each periodic pension or annuity payment. (**NOTE:** You may designate an additional dollar amount on line 3.)
  - Number of allowances \_\_\_\_\_
  - Marital status (check only one):  Single or Married (with two or more incomes)\*\*  Married (one income)  
 Head of Household
- OPTIONAL:** Additional amount, if any, to be withheld from each periodic pension or annuity payment: \$ \_\_\_\_\_  
**NOTE: Before entering an amount on line 3, you must enter a number of allowances (even if it's zero) on line 2a and check one of the marital status boxes in 2b.** If line 2a is blank, your form will be rejected.  
— OR —
- I want this designated amount withheld from each periodic pension or annuity payment \$ \_\_\_\_\_

\*Except for lines 2a and b and line 3, if you complete more than one line, your form will be rejected.

\*\*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 with LACERA.

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

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



**SERVICE-CONNECTED DISABILITIES (SCD)**

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.)

**SCDs: TAXABLE PERCENTAGES**

- 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.

**GOVERNMENT RESOURCES**


- To obtain additional information about federal tax withholding form W-4P, visit: [irs.gov/pub/irs-pdf/fw4.pdf](http://irs.gov/pub/irs-pdf/fw4.pdf)
- To obtain additional information about California state tax withholding form DE-4P, visit: [edd.ca.gov/pdf\\_pub\\_ctr/de4.pdf](http://edd.ca.gov/pdf_pub_ctr/de4.pdf)

**MORE THAN ONE ADDRESS ON FILE?**

To change or confirm an address(es) other than your home address, visit My LACERA on [lacera.com](http://lacera.com) or submit an Address Change Form. The form is available on the Brochures & Forms page of [lacera.com](http://lacera.com) or by calling 800-786-6464.

**NOTE:** Please follow the directions on the W-4P federal and DE-4P CA state tax withholding forms; failure to properly complete the forms will result in LACERA rejecting your forms.

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



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

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