



WITHHOLDING CERTIFICATE FOR PENSION BENEFIT PAYMENTS (SUBSTITUTE W-4P)

For security reasons, do not submit form by email.

■ **Important** – Your monthly benefit is taxable for federal income tax purposes beginning with your first payment. Please complete the information below to let KPER know your federal tax withholding preferences. Depending on your benefit amount, **federal law requires us to withhold** as if you were a married individual claiming three withholding allowances if you do not submit a withholding certificate. Be sure to read the certification, then sign and date the form.

You can change your withholding **electronically** instead of sending this paper form. Login to your member account at kpers.org. See instructions on page 2 for more information.

■ **Contact Us** – toll free: 1-888-275-5737 • phone: 785-296-6166 • fax: 785-296-6638
email: kpers@kpers.org • web site: kpers.org • mail: 611 S. Kansas Ave., Suite 100, Topeka, KS 66603

■ Part A – Recipient Information

- 1. Social Security Number: _____ - _____ - _____
- 2. Name (First, MI, Last): _____
- 3. Telephone Number: (____) _____
- 4. Mailing Address: _____
City, State, Zip: _____

■ **Part B – Withholding Election** – Please choose one of the options below and complete the information for that option.

- 1. **No**, do not withhold federal income tax from my benefit payments.
- 2. **Yes**, withhold federal income tax from my benefit payments, as follows:
 - (a) Marital Status: Single Married Married, but withhold at higher "Single" rate
 - (b) Total number of withholding allowances you are claiming for withholding: _____
 - (c) Additional amount, if any, you wish to have withheld from each benefit payment: \$ _____
You cannot enter an additional amount in (c) without completing (a) and (b) above.

■ Part C – Certification

"I understand I am liable for federal income tax on my retirement benefits. I further understand penalties may be imposed by the Internal Revenue Service if my estimated tax payments and withholding are inadequate to satisfy estimated tax payment rules. I understand this election will replace any previous tax withholding elections and will remain in effect until I complete a new withholding certificate and send it to the Retirement System."

Signature: _____ Month/Day/Year: ____/____/____

TAX WITHHOLDING INFORMATION AND INSTRUCTIONS

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■ Taxes on Retirement Benefits

In general, Retirement System benefits, including the \$4,000 retiree death benefit, are subject to federal income tax, but not Kansas income tax. If you move to another state, check if your retirement benefit is taxable in that state. Your monthly benefit is taxable from the time your benefits begin.

■ Withholding Information

You can control how much tax is withheld by filing this Withholding Certificate for Pension Benefit Payments (Substitute W-4P) form with KPERS. The form is provided in the Application for Retirement Benefits Booklet. You can also download one on our web site or contact KPERS for a paper form. You can change your withholding amount anytime. When completing the Substitute W-4P form, you must select a marital status and the number of exemptions if you choose to have KPERS withhold taxes from your benefit. You can also add an additional flat amount for withholding, but you cannot just select a flat amount without marital status and exemptions. If you choose not to have taxes withheld from your retirement benefit, you are still liable for federal income tax. You may also be subject to penalties under the "Estimated Tax Payment" rule if your withholding is not high enough. Depending on your benefit amount, federal law requires us to withhold as if you were a married individual claiming three withholding allowances if you do not submit a withholding form.

■ Paperless Withholding Change

You can change your withholding information in your member account instead of mailing a paper form. Changes made online are effective immediately. Login to your member account at kpers.org. Click "Member Account" button at the top.

To access your personal account, you must first enroll. It takes two to three minutes and you'll only have to do it once. Enrollment lets us identify you and protects your personal information. After that, you can login anytime using the user ID and password you set up.

■ If You Contributed to the Retirement System Before July 1984

Before July 1984, member contributions were on a post-tax basis. Because of this, a portion of the benefits you receive will not be taxable. Federal law allows you to "recover," tax-free, any contributions you made on a post-tax basis, and regulates the rate at which you make this recovery. If you did not contribute to the Retirement System before July 1984, your entire benefit is taxable unless you have purchased service with a lump-sum payment. Lump-sum purchases other than rollovers or trustee-to-trustee transfers are on a post-tax basis. The total nontaxable (tax-free) amount will be the amount of previously-taxed contributions you paid into the Retirement System.

■ 1099-R Tax Form

By January 31 each year, the Retirement System will mail you a 1099-R form with information for your federal tax return. This form shows the benefits paid to you and the taxable amount. You may receive more than one 1099-R form if you receive benefits from different plans administered by KPERS or you received more than one distribution type during the year. Information and IRS instructions are printed on the back of the form.

■ For More Information

Additional state and federal tax information, including 1099-R forms, is available at kpers.org/taxes.html. The Internal Revenue Service also provides detailed resources at irs.gov. If you have questions about your individual tax situation or the amount of tax to withhold, please contact a qualified tax professional.