



# Withholding Preference Certificate

## Federal and Oklahoma State Income Tax

515-151-20  
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Federal and state law requires the Oklahoma Public Employees Retirement System (OPERS) to withhold income tax from your benefit payment. **If you do not file a withholding preference, OPERS is required by law to assume you are married and claiming three allowances for both federal and state withholding.** OPERS will automatically withhold federal and state income tax if your benefit is large enough to require withholdings. You have the right to change your withholding at any time by completing and submitting a new withholding form. For more complete instructions regarding your withholding options, consult the instructions and worksheets provided with this form or the IRS' Form W-4P which is available at [www.irs.gov](http://www.irs.gov). Please type or print in ink the information on this form, separate from the instructions, and submit the form to OPERS. Forms received after the 5th day of the month will be processed in the following month.

### MEMBER INFORMATION

Name (First, Middle, Last)

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Social Security number

Mailing address (Street or Rural Route, City, State, Zip+4)

Phone number

Email address

### FEDERAL WITHHOLDING

Choose from one of the following options for your federal withholding.

<b>No Federal Taxes</b>
<input type="checkbox"/>
Check here if you <b>do not want</b> any federal income tax withheld from your pension.

OR

<b>Federal Withholding</b>
Complete this section if you want to withhold based on the federal tax withholding tables:
<b>Marital status</b> (select one): <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate.
<b>Enter number of allowances:</b> _____ <i>OPERS will assume zero allowances if the above line is left blank.</i>
<b>Additional amount</b> , if any, you want withheld from each monthly payment. \$ _____

### (OKLAHOMA) STATE WITHHOLDING

Choose from one of the following options for your state withholding.

<b>No State Taxes</b>
<input type="checkbox"/>
Check here if you <b>do not want</b> any Oklahoma income tax withheld from your pension.

OR

<b>Oklahoma State Withholding</b>
Complete this section if you want to withhold based on the Oklahoma tax withholding tables:
<b>Marital status</b> (select one): <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate.
<b>Enter number of allowances:</b> _____ <i>OPERS will assume zero allowances if the above line is left blank.</i>
<b>Additional amount</b> , if any, you want withheld from each monthly payment. \$ _____

### SIGNATURE

I have reviewed the information on this form including the instructions and worksheets and hereby submit this statement of preference regarding how my benefit is to be treated for purposes of federal and state income tax withholdings. I understand this election revokes any previous withholding preferences I have made with OPERS.

Signature

Date



# Instructions and Worksheets for Withholding Certificate

For more complete instructions regarding your withholding options, consult the IRS' website ([www.irs.gov](http://www.irs.gov)), particularly the Instructions to Form W-4P or Publication 575, Pension and Annuity Income.

If you already have a valid *Withholding Preference Certificate* on file with OPERS, you do not need to submit a new form unless you want to change or revoke your prior tax withholding election. For a pension or annuity payment, the tax rates applied to your benefit are based on withholding tables provided by the U.S. Treasury Department and Oklahoma Tax Commission. NOTE: If you live outside of Oklahoma and elect to have state taxes withheld on your OPERS benefits, those amounts are remitted to the Oklahoma Tax Commission, not the taxing authority of your state of residence.

**Purpose.** This Form is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities (including commercial annuities), and certain other deferred compensation. Use this Form to tell OPERS the correct amount of federal income tax to withhold from your payment(s). You also may use this form to choose (a) not to have any federal income tax withheld from the payment (except for eligible rollover distributions or for payments to U.S. citizens to be delivered outside the United States or its possessions) or (b) to have an additional amount of tax withheld.

OPERS will not withhold any federal tax if the taxable portion of your annual payment is less than \$23,880 (\$1,990 per month).

## General Instructions

Section references are to the Internal Revenue Code. Follow these instructions to determine the number of withholding allowances you should claim for pension or annuity payment withholding and any additional amount of tax to have withheld. Complete the worksheet(s) using the taxable amount of the payments. If you don't want any federal income tax withheld (see *Purpose*, earlier), you can skip the worksheets and go directly to the Form.

**Sign this form.** The Form is not valid unless you sign it.

You can also use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to determine your tax withholding more accurately. Consider using this calculator if you have a more complicated tax situation, such as if you have more than one pension or annuity, a working spouse, or a large amount of income outside of your pensions. After your Form takes effect, you can also use this calculator to see how the amount of tax you're having withheld compares to your projected total tax for 2018. If you use the calculator, you don't need to complete any of the worksheets for this Form.

Note that if you have too much tax withheld, you will receive a refund when you file your tax return. If you have too little tax withheld, you will owe tax when you file your tax return, and you might owe a penalty.

**Filers with multiple pensions or more than one income.** If you have more than one source of income subject to withholding (such as more than one pension or a pension and a job, or you're married and your spouse is working), read all of the instructions, including the instructions for the Multiple Pensions/More-Than-One-Income Worksheet, before beginning.

**Other income.** If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you might owe additional tax. See Pub. 505, Tax Withholding and Estimated Tax, for more information. Get Form 1040-ES and Pub. 505 at [www.irs.gov/FormsPubs](http://www.irs.gov/FormsPubs). Or, you can use the Deductions, Adjustments, and Additional Income Worksheet or the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to make sure you have enough tax withheld from your payments. If you have income from wages, see Pub. 505 or use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to find out if you should adjust your withholding on this Form.

**Note:** Social security and railroad retirement payments may be includible in income. See Form W-4V, Voluntary Withholding Request, for information on voluntary withholding from these payments.

## Withholding From Pensions and Annuities

Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans; from individual retirement arrangements (IRAs); and from commercial annuities. The method and rate of withholding depend on (a) the kind of payment you receive; (b) whether the payments are to be delivered outside the United States or its possessions; and (c) whether the recipient is a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a Roth IRA are nontaxable and, therefore, not subject to withholding.

See page 3 for special withholding rules that apply to payments to be delivered outside the United States and payments to foreign persons.

Because your tax situation may change from year to year, you may want to refigure your withholding each year. You can change the amount to be withheld by using this Form.

**Choosing not to have income tax withheld.** You (or in the event of death, your beneficiary or estate) can choose not to have federal income tax withheld from your payments by using this Form. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the decedent. Enter the estate's employer identification number (EIN) in the area reserved for "Your Social Security number" on the Form.

You may not make this choice for eligible rollover distributions. See *Eligible rollover distribution—20% withholding* below.

**Caution:** There are penalties for not paying enough federal income tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see Pub. 505. It explains your estimated tax requirements and describes penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your pension or annuity.

**Periodic payments.** Withholding from periodic payments of a pension or annuity is figured in the same manner as withholding from wages. Periodic payments are made in installments at regular intervals over a period of more than one year. They may be paid annually, quarterly, monthly, etc.

If you want federal income tax to be withheld, you must designate the number of withholding allowances and indicate your marital status by checking the appropriate box. You can't designate a specific dollar amount to be withheld. However, you can designate an additional amount to be withheld.

If you don't want any federal income tax withheld from your periodic payments, check the box on the Form and submit the form to your payer. However, see *Payments to Foreign Persons and Payments To Be Delivered Outside the United States*.

**Caution:** If you don't submit the Form to your payer, the payer must withhold on periodic payments as if you're married claiming three withholding allowances. Generally, this means that tax will be withheld if the taxable amount of your pension or annuity is at least \$1,990 a month.

If you submit a Form that doesn't contain your correct Social Security number (SSN), the payer must withhold as if you're single claiming zero withholding allowances even if you checked the box to have no federal income tax withheld.

There are some kinds of periodic payments for which you can't use the Form because they're already defined as wages subject to federal income tax withholding. These payments include retirement pay for service in the U.S. Armed Forces and payments from certain nonqualified deferred compensation plans and tax-exempt organizations' deferred compensation plans described in section 457. Your payer should be able to tell you whether the Form applies.

For periodic payments, your Form stays in effect until you change or revoke it. Your payer must notify you each year of your right to choose not to have federal income tax withheld (if permitted) or to change your choice.

**Tax relief for victims of terrorist attacks.** For tax years ending after September 10, 2001, disability payments for injuries incurred as a direct result of a terrorist attack directed against the United States (or its allies), whether outside or within the United States, aren't included in income. You may check the box on the Form and submit the form to your payer to have no federal income tax withheld from these disability payments. However, you must include in your income any amounts that you received or you would've received in retirement had you not become disabled as a result of a terrorist attack. See Pub. 3920, *Tax Relief for Victims of Terrorist Attacks*, for more details.

### **Changing Your "No Withholding" Choice**

**Periodic payments.** If you previously chose not to have federal income tax withheld and you now want withholding, complete another Form and submit it to your payer. If you want federal income tax withheld at the 2018 default rate (married with three allowances), write "Revoked" on the form. If you want tax withheld at any different rate, complete the form.

## Payments to Foreign Persons and Payments To Be Delivered Outside the United States

Unless you're a nonresident alien, withholding (in the manner described above) is required on any periodic or nonperiodic payments that are to be delivered to you outside the United States or its possessions. You can't choose not to have federal income tax withheld on the Form. See Pub. 505 for details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are subject to a 30% federal withholding tax under section 1441 on the taxable portion of a periodic or nonperiodic pension or annuity payment that is from U.S. sources. However, most tax treaties provide that private pensions and annuities are exempt from withholding and tax. Also, payments from certain pension plans are exempt from withholding even if no tax treaty applies. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for details. A foreign person should submit Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting, to the payer before receiving any payments. The Form W-8BEN must contain the foreign person's taxpayer identification number (TIN).

### Statement of Federal Income Tax Withheld From Your Pension or Annuity

By January 31 of next year, your payer will furnish a statement to you on Form 1099-R, Distributions From Retirement Plans, Insurance Contracts, etc., showing the total amount of your pension or annuity payments and the total federal income tax withheld during the year. If you're a foreign person who has provided your payer with Form W-8BEN, your payer instead will furnish a statement to you on Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, by March 15 of next year.

### Specific Instructions

#### Personal Allowances Worksheet

Complete this worksheet first to determine the number of withholding allowances to claim.

**Line C. Head of household please note:** Generally, you can claim head of household filing status on your tax return only if you're unmarried and pay more than 50% of the costs of keeping up a home for yourself and a qualifying individual. See Pub. 501 for more information about filing status.

**Line E. Child tax credit.** When you file your tax return, you might be eligible to claim a credit for each of your qualifying children. To qualify, the child must be under age 17 as of December 31 and must be your dependent who lives with you for more than half the year. To learn more about this credit, see Pub. 972, Child Tax Credit. To reduce the tax withheld from your payments by taking this credit into account, follow the instructions on line E of the worksheet. On the worksheet you will be asked about your total income. For this purpose, total income includes all of your pensions, wages, and other income, including income earned by a spouse, during the year.

**Line F. Credit for other dependents.** When you file your tax return, you might be eligible to claim a credit for each of your dependents that don't qualify for the child tax credit, such as any dependent children age 17 and older. To learn more about this credit, see Pub. 505. To reduce the tax withheld from your payments by taking this credit into account, follow the instructions on line F of the worksheet. On the worksheet, you will be asked about your total income. For this purpose, total income includes all of your pensions, wages, and other income, including income earned by a spouse, during the year.

**Line G. Other credits.** You might be able to reduce the tax withheld from your payments if you expect to claim other tax credits, such as the earned income tax credit and tax credits for education and child care expenses. If you do so, your payments will be larger but the amount of any refund that you receive when you file your tax return will be smaller. Follow the instructions for Worksheet 1-6 in Pub. 505 if you want to reduce your withholding to take these credits into account.

#### Deductions, Adjustments, and Additional Income Worksheet

Complete this worksheet to determine if you're able to reduce the tax withheld from your pension or annuity payments to account for your itemized deductions and other adjustments to income, such as IRA contributions. If you do so, your refund at the end of the year will be smaller, but your payments will be larger. You're not required to complete this worksheet or reduce your withholding if you don't wish to do so.

You can also use this worksheet to figure out how much to increase the tax withheld from your payments if you have a large amount of other income, such as interest, dividends, or capital gains.

Another option is to take these items into account and make your withholding more accurate by using the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App). If you use the calculator, you don't need to complete any of the worksheets for the Form.

### **Multiple Pensions/More-Than-One-Income Worksheet**

Complete this worksheet if you receive more than one pension, if you have a pension and a job, or if you're married filing jointly and have a working spouse or a spouse who received a pension. If you don't complete this worksheet, you might have too little tax withheld. If so, you will owe tax when you file your tax return and might be subject to a penalty.

Figure the total number of allowances you're entitled to claim and any additional amount of tax to withhold on all pensions using worksheets from only one Form. Claim all allowances on the Form that you or your spouse file for the highest paying pension in your family and claim zero allowances on Forms W-4P filed for all other pensions. For example, if you receive \$60,000 from your pension per year and your spouse receives \$20,000 from a pension, you should complete the worksheets to determine what to enter on your Form, and your spouse should enter zero ("-0-") on his or her Form. See Pub. 505 for details.

Another option is to use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to figure your withholding more precisely.

### **Privacy Act and Paperwork Reduction Act Notice**

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You're required to provide this information only if you want to (a) request federal income tax withholding from periodic pension or annuity payments based on your withholding allowances and marital status; (b) request additional federal income tax withholding from your pension or annuity; (c) choose not to have federal income tax withheld, when permitted; or (d) change or revoke a previous Form W-4P. To do any of the aforementioned, you're required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s). Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You're not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

**Personal Allowances Worksheet (Keep for your records.)**

**A** Enter "1" for yourself . . . . . **A** \_\_\_\_\_

**B** Enter "1" if you will file as married filing jointly . . . . . **B** \_\_\_\_\_

**C** Enter "1" if you will file as head of household . . . . . **C** \_\_\_\_\_

**D** Enter "1" if: { 

- You're single, or married filing separately, and have only one pension; or
- You're married filing jointly, have only one pension, and your spouse has no income subject to withholding; or
- Your income from a second pension or a job or your spouse's pension or wages (or the total of all) are \$1,500 or less.
 } . . . . . **D** \_\_\_\_\_

**E** Child tax credit. See Pub. 972, child Tax Credit, for more information.

- If your total income will be less than \$69,801 (\$101,401 if married filing jointly), enter "4" for each eligible child.
- If your total income will be from \$69,801 to \$175,550 (\$101,401 to \$339,000 if married filing jointly), enter "2" for each eligible child.
- If your total income will be from \$175,551 to \$200,000 (\$339,001 to \$400,000 if married filing jointly), enter "1" for each eligible child.
- If your total income will be higher than \$200,000 (\$400,000 if married filing jointly), enter "-0-" . . . . . **E** \_\_\_\_\_

**F Credit for other dependents.**

- If your total income will be less than \$69,801 (\$101,401 if married filing jointly), enter "1" for each eligible dependent.
- If your total income will be from \$69,801 to \$175,550 (\$101,401 to \$339,000 if married filing jointly), enter "1" for every two dependents (for example, "-0-" for one dependent, "1" if you have two or three dependents, and "2" if you have four dependents).
- If your total income will be higher than \$175,550 (\$339,000 if married filing jointly), enter "-0-" . . . . . **F** \_\_\_\_\_

**G Other credits.** If you have other credits, see Worksheet 1-6 of Pub. 505 and enter the amount from that worksheet here . . . . . **G** \_\_\_\_\_

**H** Add lines A through G and enter the total here . . . . . **H** \_\_\_\_\_

For accuracy, complete all worksheets that apply.

- If you plan to **itemize** or claim **adjustments to income** and want to reduce your withholding, or if you have a large amount of other income and want to increase your withholding, see the **Deductions, Adjustments, and Additional Income Worksheet**, later.
- If you **have more than one source of income subject to withholding** or are **married filing jointly and you and your spouse both have income subject to withholding** and your combined income from all sources exceeds \$52,000 (\$24,000 if married filing jointly), see the **Multiple Pensions/More-Than-One-Income Worksheet** on page 5 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H as the number of allowances on the Form.

**Deductions, Adjustments, and Additional Income Worksheet**

**Note:** Use this worksheet *only* if you plan to itemize deductions, claim certain adjustments to income, or have a large amount of other income.

- 1 Enter an estimate of your 2018 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 7.5% of your income. See Pub. 505 for details. . . . . **1** \$ \_\_\_\_\_
- 2 Enter: 

}	\$24,000 if you're married filing jointly or qualifying widow(er)	}	. . . . .	<b>2</b>	\$ _____
	\$18,000 if you're head of household				
	\$12,000 if you're single or married filing separately				
- 3 **Subtract** line 2 from line 1. If zero or less, enter "-0-" . . . . . **3** \$ \_\_\_\_\_
- 4 Enter an estimate of your 2018 adjustments to income and any additional standard deduction for age or blindness (see Pub. 505 for information about these items) . . . . . **4** \$ \_\_\_\_\_
- 5 **Add** lines 3 and 4 and enter the total . . . . . **5** \$ \_\_\_\_\_
- 6 Enter an estimate of your 2018 other income (such as dividends, interest, or capital gains) . . . . . **6** \$ \_\_\_\_\_
- 7 **Subtract** line 6 from line 5. If zero, enter "-0-". If less than zero, enter the amount in parentheses . . . . . **7** \$ \_\_\_\_\_
- 8 **Divide** the amount on line 7 by \$4,150 and enter the result here. If a negative amount, enter in parentheses. Drop any fraction . . . . . **8** \_\_\_\_\_
- 9 Enter the number from the **Personal Allowances Worksheet**, line H. . . . . **9** \_\_\_\_\_
- 10 **Add** lines 8 and 9 and enter the total here. If zero or less, enter "-0-". If you plan to use the **Multiple Pensions/More-Than-One-Income Worksheet**, also enter this total on line 1 below. Otherwise, **stop here** and enter this total as the number of allowances on the Form . . . . . **10** \_\_\_\_\_

**Multiple Pensions/More-Than-One-Income Worksheet**

**Note:** Use this worksheet *only* if the instructions under line H from the **Personal Allowances Worksheet** direct you here. This applies if you (and your spouse if married filing jointly) have more than one source of income subject to withholding (such as more than one pension, or a pension and a job, or you have a pension and your spouse works).

- 1 Enter the number from the **Personal Allowances Worksheet**, line H (or from line 10 above if you used the **Deductions, Adjustments, and Additional Income Worksheet**) . . . . . **1** \_\_\_\_\_
- 2 Find the number in **Table 1** below that applies to the **LOWEST** paying pension or job and enter it here. However, if you're married filing jointly and the amount from the highest paying pension or job is \$75,000 or less and the combined amounts for you and your spouse are \$107,000 or less, do not enter more than "3" . . . . . **2** \_\_\_\_\_
- 3 If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and as the number of allowances on the Form. **Do not** use the rest of this worksheet . . . . . **3** \_\_\_\_\_

**Note:** If line 1 is **less than** line 2, enter "-0-" as the number of allowances on the Form. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end taxbill.

- 4 Enter the number from line 2 of this worksheet . . . . . **4** \_\_\_\_\_
- 5 Enter the number from line 1 of this worksheet . . . . . **5** \_\_\_\_\_
- 6 **Subtract** line 5 from line 4 . . . . . **6** \_\_\_\_\_
- 7 Find the amount in **Table 2** below that applies to the **HIGHEST** paying pension or job and enter it here . . . . . **7** \$ \_\_\_\_\_
- 8 **Multiply** line 7 by line 6 and enter the result here. This is the additional annual withholding needed . . . . . **8** \$ \_\_\_\_\_
- 9 **Divide** line 8 by the number of payments remaining this year. For example, divide by 8 if you're paid every month and you complete this form in April. Enter the result here and on the additional amount line of the Form. This is the additional amount to be withheld from each payment. . . . . **9** \$ \_\_\_\_\_

**Table 1**

**Table 2**

Married Filing Jointly		All Others		Married Filing Jointly		All Others	
If wages from <b>LOWEST</b> paying job or pension are—	Enter on line 2 above	If wages from <b>LOWEST</b> paying job or pension are—	Enter on line 2 above	If wages from <b>HIGHEST</b> paying job or pension are—	Enter on line 7 above	If wages from <b>HIGHEST</b> paying job or pension are—	Enter on line 7 above
\$0 - \$5,000	0	\$0 - \$7,000	0	\$0 - \$24,375	\$420	\$0 - \$7,000	\$420
5,001 - 9,500	1	7,001 - 12,500	1	24,376 - 82,725	500	7,001 - 36,175	500
9,501 - 19,000	2	12,501 - 24,500	2	82,726 - 170,325	910	36,176 - 79,975	910
19,001 - 26,500	3	24,501 - 31,500	3	170,326 - 320,325	1,000	79,976 - 154,975	1,000
26,501 - 37,000	4	31,501 - 39,000	4	320,326 - 405,325	1,330	154,976 - 197,475	1,330
37,001 - 43,500	5	39,001 - 55,000	5	405,326 - 605,325	1,450	197,476 - 497,475	1,450
43,501 - 55,000	6	55,001 - 70,000	6	605,326 and over	1,540	497,476 and over	1,540
55,001 - 60,000	7	70,001 - 85,000	7				
60,001 - 70,000	8	85,001 - 90,000	8				
70,001 - 75,000	9	90,001 - 100,000	9				
75,001 - 85,000	10	100,001 - 105,000	10				
85,001 - 95,000	11	105,001 - 115,000	11				
95,001 - 130,000	12	115,001 - 120,000	12				
130,001 - 150,000	13	120,001 - 130,000	13				
150,001 - 160,000	14	130,001 - 145,000	14				
160,001 - 170,000	15	145,001 - 155,000	15				
170,001 - 180,000	16	155,001 - 185,000	16				
180,001 - 190,000	17	185,001 and over	17				
190,001 - 200,000	18						
200,001 and over	19						