

Withholding Certificate for Pension or Annuity Payments

Modified for our use.
Teachers' Retirement (Rev. 12/13/17)



New withholding requirement: Effective January 1, 2018, a payer must withhold Connecticut income tax from taxable pension or annuity payments made to a Connecticut resident. You must complete this form for payments made on or after January 1, 2018, or your payer will withhold 6.99% of your payment.

Mail the original form to **CT Teachers' Retirement Board, 765 Asylum AVE 2nd Floor, Hartford CT 06105**
or fax it to **860-525-6018**. Please read instructions carefully. Keep a copy for your records.

1. Withholding Code: Enter *Withholding Code* letter chosen from below. 1. _____
2. Additional withholding amount per payment, if any. See Supplemental Table instructions. 2. \$ _____
3. Reduced withholding amount per payment, if any. See Supplemental Table instructions. 3. \$ _____

First name	MI	Last name	Social Security Number
Home address (number and street, apartment number, suite number, PO Box)			Personal Email / Phone #
City/town	State	ZIP code	

Declaration: I declare under penalty of law that I have examined this certificate and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for reporting false information is a fine of not more than \$5,000, imprisonment for not more than five years, or both.

Payee's signature	Date
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Payee Instructions

- Read *Payee General Instructions* before completing this form.
- If you or your spouse, or both, have more than one source of income, see *Check Your Withholding*.

- Select the filing status you expect to report on your Connecticut income tax return. See instructions.
- Choose the statement that best describes your gross income.
- Enter the *Withholding Code* on Line 1 above.

Married Filing Jointly	Withholding Code
Our expected combined annual gross income is less than or equal to \$24,000 and no withholding is necessary.	E
My spouse has income subject to withholding and our expected combined annual gross income is greater than \$24,000 and less than or equal to \$100,500. See <i>Certain Married Individuals</i> , Page 2.	A
My spouse does not have income subject to withholding and our expected combined annual gross income is greater than \$24,000.	C
My spouse has income subject to withholding and our expected combined annual gross income is greater than \$100,500.	D
I have significant other income and wish to avoid having too little tax withheld.	D
Qualifying Widow(er) With Dependent Child	Withholding Code
My expected annual gross income is less than or equal to \$24,000 and no withholding is necessary.	E
My expected annual gross income is greater than \$24,000.	C
I have significant other income and wish to avoid having too little tax withheld.	D

Married Filing Separately	Withholding Code
My expected annual gross income is less than or equal to \$12,000 and no withholding is necessary.	E
My expected annual gross income is greater than \$12,000.	A
I have significant other income and wish to avoid having too little tax withheld.	D
Single	Withholding Code
My expected annual gross income is less than or equal to \$15,000 and no withholding is necessary.	E
My expected annual gross income is greater than \$15,000.	F
I have significant other income and wish to avoid having too little tax withheld.	D
Head of Household	Withholding Code
My expected annual gross income is less than or equal to \$19,000 and no withholding is necessary.	E
My expected annual gross income is greater than \$19,000.	B
I have significant other income and wish to avoid having too little tax withheld.	D

Form CT-W4P Payee General Instructions

Form CT-W4P, *Withholding Certificate for Pension or Annuity Payments*, is for Connecticut resident recipients of pension, annuities and certain other deferred compensation subject to Connecticut income tax. Form CT-W4P provides your payer with the necessary information to withhold the correct amount of Connecticut income tax from your pension or annuity payment to ensure that you will not be underwithheld or overwithheld.

Effective January 1, 2018, payers of taxable pension or annuity distributions are required to deduct and withhold income tax from such distributions. Payers must calculate the amount to withhold from such distributions using the same method that employers use to determine the amount to withhold from wages.

Complete Form CT-W4P by selecting a withholding code based on the filing status you expect to report on your Connecticut income tax return and the statement that best describes your gross income. Form CT-W4P for years 2017 and prior are obsolete.

For Connecticut income tax purposes, **gross income** means all income from all sources, whether received in the form of money, goods, property, or services, not exempt from federal income tax, and includes any additions to income from *Schedule 1* of **Form CT-1040**, *Connecticut Resident Income Tax Return* or **Form CT-1040NR/PY**, *Connecticut Nonresident and Part-Year Resident Return*.

Generally, the filing status you expect to report on your Connecticut income tax return is the same as the filing status you expect to report on your federal income tax return. However, special rules apply to married individuals who file a joint federal return but have a different residency status. Nonresidents and part-year residents should see the instructions to Form CT-1040NR/PY.

You can't designate a specific dollar amount to be withheld. Failure to give your payer a properly completed 2018 Form CT-W4P will result in 6.99% withholding from your payment(s).

Form CT-W4P will remain in effect until you submit a new one. You should complete a new Form CT-W4P if your tax situation changes, such as your filing status changes. You should furnish your payer with a new Form CT-W4P within ten days of the change. These rules do not apply to lump sum distributions (distributions of the entire account balance). The withholding rate for lump sum distributions is 6.99%.

Check Your Withholding

You may be underwithheld if any of the following apply:

1. You or your spouse, or both, have more than one source of income, whether or not subject to withholding;
2. You qualify under *Certain Married Individuals* and do not use the *Supplemental Table*; **or**
3. You have substantial other income such as interest, dividends or capital gains.

If you are underwithheld, you should consider adjusting your withholding or making estimated payments using **Form CT-1040ES**, *Estimated Connecticut Income Tax Payment Coupon for Individuals*. You may also select *Withholding Code "D"* to elect the highest level of withholding. If you owe \$1,000 or more in Connecticut income tax over and above what has been withheld from your income for the prior taxable year, you may be subject to interest on the underpayment at the rate of 1% per month or fraction of a month. To help determine if your withholding is correct, see **Informational Publication 2018(7)**, *Is My Connecticut Withholding Correct?*

Certain Married Individuals

If you are a married individual filing jointly and you and your spouse both select *Withholding Code "A,"* you may have too much or too little Connecticut income tax withheld from your pension or annuity payment. This is because the phase-out of the personal exemption and credit is based on your combined incomes. The withholding tables cannot reflect your exact withholding requirement without considering the income of your spouse.

To minimize this problem, use the *Supplemental Table* to adjust your withholding. You are not required to use this table. **Do not** use the supplemental table to adjust your withholding if you use the worksheet in IP 2018(7).

Payer Instructions

For any payee who does not complete Form CT-W4P, you are required to withhold at the highest marginal rate of 6.99% without allowance for exemption. You are required to keep Form CT-W4P in your files for each payee. See **Informational Publication 2017(8)**, *Connecticut Tax Guide for Payers of Nonpayroll Amounts*, for complete instructions.

For More Information & Forms and Publications:

Call DRS during business hours, Monday through Friday: **800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or 860-297-5962** (from anywhere). TTY, TDD, and Text Telephone users **only** may transmit inquiries anytime by calling 860-297-4911. Visit the DRS website at **www.ct.gov/DRS** to download and print Connecticut tax forms and publications.

