

For Office Use Only

- Appraisal
- Payments

Department of Employee Trust Funds
 WISCONSIN RETIREMENT SYSTEM
 P. O. Box 7931
 Madison, Wisconsin 53707-7931

INCOME TAX WITHHOLDING ELECTION

Wis. Stat. § 40.08 (1)

Beneficiary of: Social Security Number

PLEASE READ THE REVERSE SIDE **BEFORE** COMPLETING THIS FORM

Print Your Name (Last, First, Middle Initial):
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Social Security Number:

FEDERAL INCOME TAX WITHHOLDING

MONTHLY ANNUITY: ETF must withhold federal income tax from taxable benefit payments, unless you elect not to have withholding. If you do not complete the withholding election, we must withhold assuming you are married with three exemptions. (See exception for annuity certain benefits on reverse.)

Do you want **FEDERAL** TAXES WITHHELD? No Yes **(IF YES, COMPLETE #1 BELOW)**

1) If yes, and you want withholding based on the tax tables, indicate filing status AND number of exemptions.

Single Married

Number of Exemptions:

AND

After you have selected exemptions you may also add an additional dollar amount to be withheld for federal taxes.

\$.00

ANNUITY CERTAIN OF LESS THAN 120 MONTHS: Withholding for federal income taxes is mandatory on an annuity certain of less than 120 months from additional contributions, unless you directly roll over the taxable portion of your payment(s).

If you have selected an annuity certain of less than 120 months from additional contributions, will you directly roll over the taxable portion of your annuity certain?

No Yes If yes, complete the *Authorization for Direct Rollover* (ET-7355).

STATE OF WISCONSIN INCOME TAX WITHHOLDING

Wisconsin law does not require that state income tax be withheld from monthly annuity benefit payments, but you may specify an amount to be withheld each month or use the state tax tables.

Do you want **WISCONSIN** taxes withheld? (Minimum of \$5 per month)

No Yes **(IF YES, COMPLETE #1 and #3 OR #2 BELOW)**

1) If yes, and you want withholding based on the tax tables, indicate filing status AND number of exemptions.

Single Married

Number of Exemptions:

2) If yes, and you want a specific amount withheld each month, enter the total monthly amount you want withheld in this box. Enter a whole dollar amount only.

\$.00

Under this option state income tax withholding **IS NOT** automatically adjusted when the amount of your monthly annuity changes. You must file a new *Income Tax Withholding Election* form to change the amount of state income taxes withheld.

3) If yes, and you want an additional amount withheld, please enter the additional amount you want withheld. Enter a whole dollar amount only.

\$.00

We do not withhold state income tax from a lump sum payment or withhold taxes for other states.

You may revoke this election at any time by submitting a new *Income Tax Withholding Election* form to the Department of Employee Trust Funds.

Date (MM/DD/CCYY)

Signature

Telephone (area code/number)

YOU MUST DATE AND SIGN THIS FORM. MAKE A COPY FOR YOUR RECORDS.

FEDERAL INCOME TAX WITHHOLDING:

Monthly Annuity Payments: We are required to withhold federal income tax from all benefits unless you elect not to have tax withheld. If you are applying for a benefit and you do not provide the withholding election with your application, we must withhold assuming you are married with three exemptions.

Exception: For annuity certain benefits of less than 120 months from additional contributions, we must withhold 20% of the taxable benefit amount, unless:

1. Your total withholding from your WRS annuities equals or exceeds 20% of the taxable portion, or
2. You roll over the taxable portion of your annuity certain payments directly into another qualified retirement plan or IRA.
3. If you have an amount withheld, you may elect to have an additional amount withheld.

The Following Withholding Options Are Available

1. You may elect **not** to have withholding deducted from your benefit payment.
2. You may elect to have withholding deducted from your benefit payment using the tax tables.

Unless your annuity was effective before 7/2/86, it is immediately taxable except for the small portion of each monthly payment that is a prorated return of your contributions, if any. Any non-taxable amount is calculated when we start your annuity and reviewed when we receive your final earnings information. We will notify you of the non-taxable (excludable) amount and any changes.

You may incur penalties under the tax laws if your withholding and/or estimated tax payments are insufficient.

You may revoke a withholding election at any time by submitting a new form to the Department of Employee Trust Funds. You may want to change your election when the federal tax tables change or when your tax liability changes.

Lump Sum Payments: In most cases, we must withhold 20% of the taxable benefit amount for federal income tax, unless you roll over your payment(s) directly into another qualified retirement plan or IRA. (Not applicable to minimum distribution amounts after age 70½, distributions under \$200, or benefits to non-spouse beneficiaries.)

WISCONSIN INCOME TAX WITHHOLDING:

We do not withhold state income tax from a lump sum benefit or for another state. Wisconsin law does not require that state income tax be withheld from monthly benefit payments. If you expect to have a Wisconsin income tax liability, you may specify a monthly amount to be withheld or direct us to use the state tax withholding tables (a minimum of \$5 per month will be withheld). Another alternative is to contact the Wisconsin Department of Revenue about filing a *Declaration of Estimated Tax*. According to the Wisconsin Department of Revenue, if your withholding and/or estimated tax payment is not equal to 90% of your income tax liability, you may be charged interest on the amount of the underpayment. You may elect to have an additional amount withheld to your total monthly Wisconsin income tax amount.

RECIPIENTS OF MONTHLY BENEFIT PAYMENTS:

Each January you will receive a 1099-R tax statement showing the total amount withheld for income taxes for the previous year. You should periodically review your tax status and file a new election if necessary.

PLEASE ALLOW APPROXIMATELY 60-90 DAYS AFTER WE RECEIVE YOUR NEW ELECTION FORM FOR THE CHANGE TO BE REFLECTED IN YOUR PAYMENTS.