SERS
State Employees' Retirement System
srs.illinois.gov

2101 South Veterans Parkway
P.O. Box 19255
Springfield, IL 62794-9255

217-785-7444
Email: sers@srs.illinois.gov

Clear Print

Retirement Checklist

Application Process

We recommend you return your retirement application and required documents within 30-90 days prior to your retirement. If you submit an application more than 90 days before your retirement date, we will return the application to you.

Required forms/documents:

- ☐ Retirement Application (Form 3004)
- ☐ A photocopy of your birth certificate, if not already on file (see Form 3004)
- ☐ A photocopy of your spouse's birth certificate *(if currently married)*
- ☐ Rollover/Tax Election – Survivor Contribution Refund (Form 3153) *(if applicable)*
- ☐ Retiree Insurance Form (Form 3991)
- ☐ Copy of Medicare card for yourself and dependents *(if applicable)*
- ☐ Direct Deposit Agreement for Benefit Payments (Form 3967)
- ☐ Withholding Certificate for Pension or Annuity Payments (Form W-4P)

Supplemental forms/documents (if applicable):

- ☐ A photocopy of your marriage certificate
- ☐ A photocopy of your divorce decree *(first page and Judge's signature page only)*
- ☐ A photocopy of your spouse's death certificate or obituary
- ☐ Death Benefit Beneficiary Designation (Form 101) *(if you need to update your beneficiaries)*
- ☐ Service Credit Request (Form 2003) to purchase all additional service credit before you retire *(e.g., qualifying/short periods, military service, refunded contributions or leave(s) of absence)*
- ☐ A photocopy of authorization/deduction cards to have optional deductions from your retirement check *(e.g., American Family, Prudential, credit union, etc.)*
- ☐ To have your NCPERS Voluntary Life Program premiums deducted from your retirement check you must re-enroll. Visit their website at ncpers.memberbenefits.com/SRS, call 800-525-8056, or email ncpers@memberbenefits.com.

Coordinate with Agency/Reciprocal Systems

- ☐ Notify your agency of the date you wish to retire and contact your Retirement Coordinator for agency assistance.
- ☐ If you want additional service credit for your paid sick and paid vacation days, complete Form 1404 with your agency payroll officer.
- ☐ Resign from your agency by signing the appropriate documents. *If you are on disability, you must resign from your leave of absence in order to retire.*
- ☐ Layoff, discharge or dismissal is considered a final personnel action for retirement purposes and resignation is not required.
- ☐ If you are retiring under the Reciprocal Act you must apply with all applicable systems.

We will send you a letter of confirmation once we receive your completed retirement application.

Return your completed packet to:

State Employees' Retirement System
2101 S. Veterans Parkway
P.O. Box 19255
Springfield, IL 62794-9255

or Fax to 217-524-2293.

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Retirement Application FAQs

Q: ***What is the effective date of my retirement?***

A: Retirements are only effective on the first day of a month. We recommend you work through the end of the month prior to your retirement effective date. If you choose not to work through the end of the month, we encourage you to at least work until the 17th of the month so insurance premiums can be deducted from your paycheck for the last half of the month. If you resign too soon in the first pay period of a month, your insurance would be terminated, you would have a lapse in coverage (unless you pay a COBRA premium), and insurance benefits would not start until the first of the next month. If you resign in the second pay period of the month, you will not have a lapse in insurance coverage.

Q: ***Why is my birth certificate required?***

A. We cannot process your retirement without a birth certificate on file. If we already have a copy, you do not need to submit another one. If you do not have a copy of your birth certificate, it will be necessary that you obtain a copy from the state in which you were born. If no record exists, you must submit a signed affidavit certifying that no birth record exists. Along with the submission of the signed affidavit, the following documents may be considered for proof of birth date: Military records, marriage record showing date of birth, evidence of Social Security payments that require attainment of specific age, church record of birth of baptism, valid passport, valid driver's license or two or more documents showing birth dates, such as Naturalization papers, insurance policies, school records of medical records.

Q: ***What is the survivor contribution refund?***

A. A portion of your retirement contributions are kept in a separate fund in order to pay a survivor benefit upon your death. If you are not married and do not have any dependent children at the time of your retirement, you are entitled to a refund of these contributions. You may however, elect to keep the funds at SERS in case of a future marriage. The refund can only be taken at the time of retirement.

If you take this refund and marry in the future, you may pay the refund back, with interest, after you have been married for one full year. If you take the refund and do not pay it back prior to your death, no survivor benefits will be paid.

Q: ***What is the Social Security Offset Removal?***

A: Retiring members who have contributed to SERS and Social Security have the option to reduce their retirement by 3.825% to ensure their eligible survivors receive 50% of their retirement benefit being paid at the time of death. To help you decide if this is a good option for you, refer to the Social Security Offset Removal Fact Sheet.

Q: ***What is the Level Income option?***

A: This option allows members who have paid into SERS and Social Security to receive their benefits at a level amount throughout their retirement years by combining their Social Security and SERS benefit. The Level Income option can be helpful when a member retires before the age when they qualify for a Social Security benefit.

Under Level Income, SERS pays an amount (based on your estimated Social Security benefit) in addition to your regular retirement benefit until you qualify for Social Security benefits. At this time, your pension is reduced regardless of when you actually begin receiving Social Security and regardless of how much this benefit actually is. This reduced amount will be paid for your lifetime. For further information, refer to the Level Income Option Fact Sheet.

Q: ***What is the Retirement Systems' Reciprocal Act?***

A: The Retirement Systems' Reciprocal Act provides that if an employee has at least one year of pension credits established in more than one Retirement System covered under the Reciprocal Act, the service credit from all systems will be considered together at the time of retirement or death of an employee. The purpose of the Act is to ensure full and continuous pension credit for service in public employment in the State of Illinois, and the transfer of employment from one governmental unit to another.

Q: ***Do I need to complete the Direct Deposit Agreement if my financial institution information is the same from while I was working?***

A: Yes. Because SERS is a separate agency from your employing agency a new form is required as your banking information does not carryover from one agency to the next.

Q: ***Do I need to complete new payroll deduction cards for my optional outside insurance and credit union deductions, and if so, can I get them from SERS?***

A: SERS is a separate agency from your employing agency and optional deductions such as these do not carryover from one agency to the next, therefore new cards (or copies of existing cards) must be submitted to SERS and must also include the *monthly* total amount of the deduction. SERS does not have cards for payroll deductions.

Q: ***What types of taxes are deducted from my SERS benefit?***

A: Benefits paid by SERS are considered ordinary income and are subject to federal withholding income tax. Benefits paid by SERS are *exempt* from Illinois income tax, as well as from all types of FICA withholdings.

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Accelerated Pension Benefit Payment Fact Sheet
(COLA Buyout)

The lump-sum payment is optional and only available to Tier 1 members who are retiring from SERS for the first time.

Qualified plans include:

- 401(a)
- 401(k)
- 403(b)
- *457(b)
- IRAs (SIMPLE and traditional)
- **Roth IRAs

***Rollovers to 457(b)**

Members who currently have a 457(b) State of Illinois Deferred Compensation account may roll over the entire accelerated pension benefit payment to their Deferred Compensation account.

Rollovers to IRAs

Some IRAs limit the amount of transfers you can make within a 12-month period.

****Rollovers to Roth IRAs**

You may roll a lump-sum payment from a tax-deferred plan into a Roth IRA, but because Roth IRAs are funded with after-tax dollars, you'll be required to pay income tax on your contributions at the time of the rollover.

If you are a Tier 1 member and your retirement effective date is December 1, 2018 through June 1, 2024, you may elect to waive the 3% compounded cost of living adjustments (COLAs) and instead receive 1.5% non-compounded COLAs. These reduced COLAs will begin the January 1st following the first anniversary of retirement or age 67, whichever is later. Survivors of members who elect this option will also receive 1.5% non-compounded COLAs beginning the January 1 following the anniversary of the start of the survivor annuity.

Members who elect to waive the Tier 1 COLAs will receive a one-time lump-sum payment equal to 70% of the difference in the present value of the Tier 1 COLAs and the 1.5% non-compounded COLAs, as calculated by SERS. The calculated lump-sum payment amount will be based on current SERS' actuarial assumptions, are subject to applicable IRS withholding and tax laws and must be transferred to a qualified retirement plan. You must report any payments you roll to a qualified plan to the IRS. Buyout payments will be issued as soon as possible, although it may take several months.

Eligibility requirements for this payment option:

- You must terminate service;
- You must be eligible to retire;
- You cannot have ever received SERS retirement benefits;
- You cannot choose the level income option;
- You cannot choose the Social Security Offset Removal;
- You cannot choose the reversionary option;
- If you have a QILDRO (Qualified Illinois Domestic Relations Order) on file, you may have to receive permission for the buyout from the alternate payee.

After you submit your completed retirement application to SERS, you will receive notification of the lump-sum amount you may elect to receive, along with an election form that allows you to choose to waive the 3% compounded COLAs in exchange for the lump-sum payment. You must submit the election forms accepting such payment no later than May 31, 2024 for you to be eligible for the Accelerated Pension Benefit Payment (COLA Buyout).

Your retirement effective date must be December 1, 2018 through June 1, 2024 for you to be eligible for an Accelerated Pension Benefit Payment (COLA Buyout). Please note the COLA Buyout option may end before June 1, 2024 if available funds are exhausted prior to that date.

The COLA buyout option is a strictly optional election, but it is irrevocable once it's chosen. It is important to understand what you're electing, as it will impact your benefit amount.

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Level Income Fact Sheet

The following example illustrates how the Level Income option works for a Tier 1 member.
A member is eligible for a monthly pension of $3,500 from SERS at age 55. The member is also eligible for a monthly Social Security benefit of $1,500 at age 62.

Member retires at age 55
The member's $1,500 monthly Social Security benefit is reduced to $798.00. By adding the SERS benefit of $3,500 to the $798.00 Social Security benefit, the monthly benefit amount calculates to $4,298.00. This benefit will increase by 3% each year to $5,286.00 per month at age 62 years, 1 month.

When the member turns 62 years, 1 month
The member's monthly SERS benefit reduces by the full Social Security benefit of $1,500 to equal $3,786.00. However, the member's combined monthly benefit from SERS and Social Security would still total $5,286.00.

If you pay into both SERS and Social Security, choosing the Level Income option allows you to receive benefits at a steady amount throughout retirement. You may select the Level Income option at retirement as long as you are not yet eligible to receive Social Security benefits.

Under Level Income, SERS pays your regular retirement benefit plus an additional amount based on your estimated Social Security benefit until you reach the age you elected on your retirement application. At that time, we reduce your pension by the amount on your Social Security estimate that you indicated on your retirement application. We pay the reduced amount for your lifetime, regardless of when you apply and begin receiving your Social Security benefit or the actual amount of the benefit.

When you begin receiving your Social Security benefit, that amount should make up the difference in the reduction of your SERS benefit, therefore continuing your steady income. If you choose Level Income, it is your responsibility to apply for Social Security benefits in a timely manner.

If you would like an estimate of your SERS benefit using the Level Income option, request a retirement estimate from Social Security by using the online Retirement Estimator from their website. Once you receive your estimate, contact SERS and we will assist you with your Level Income estimate.

Social Security Estimate
Social Security's online Retirement Estimator can provide a retirement estimate based on your actual Social Security earnings record. *To get a Social Security estimate using the Retirement Estimator, go to* ***socialsecurity.gov/estimator***.

You can use the Retirement Estimator if you have enough Social Security credits and you are NOT:

- Currently receiving benefits on your own record;
- Age 62 or older receiving benefits on another record;
- Eligible for a pension based upon work not covered by Social Security.

The Level Income option is a strictly optional election, but it is irrevocable once it's chosen. It is important to understand what you're electing, as it will impact your benefit amount.

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Social Security Offset Fact Sheet

An offset of 50% of the survivor's Social Security benefit is usually applied to the SERS survivor's benefit when the survivor reaches age 60.

These offsets do not reduce the SERS survivors benefit by more than 50%.

The offset does not include increases to the Social Security survivor benefit that are applied after the offset takes effect.

For illustration, assume a retiree has an initial SERS retirement benefit of $3,500 at age 55 that grows to $4,298 by age 62. If the member dies at age 62, the eligible survivor would receive a monthly SERS survivor benefit of 50% of the retirement benefit then payable, or $2,149 per month.

Assuming a Social Security survivor benefit of $2,000 is also payable to this survivor, the monthly SERS benefit would be reduced by 50% of the Social Security survivor benefit, or $1,000, for a total SERS survivor benefit of $1,149 per month.

Survivor Benefit Offset Removal

If at retirement the same retiree in the illustration above chooses the offset removal, the initial retirement benefit would grow from $3,366 at age 55 to $4,140 at age 62. If the member dies at age 62, the eligible survivor would receive a monthly SERS survivor benefit of 50% of the retirement benefit then payable, or $2,070 per month. There would be no further reduction, even if a Social Security survivor benefit is payable.

Most SERS members contribute to Social Security. If you pay into Social Security, your survivor may be eligible for an SERS survivor benefit and a Social Security survivor benefit. A SERS survivor benefit is reduced by 50% of any Social Security survivor benefit. This reduction only applies to SERS survivor benefits earned during SERS service coordinated with Social Security. This reduction cannot reduce the SERS survivor benefit by more than half.

When completing a retirement application, you may elect to remove the Social Security offset. By making this election, your monthly annuity is reduced by 3.825% and any future SERS survivor benefit payable after your death will not be reduced due to a Social Security survivor benefit.

This option may be a good choice for you if:

- You are in poor health
- Your spouse is much younger than you
- Your spouse contributed very little to Social Secruity Administration (SSA)
- You and your spouse both contributed to SSA, but your salary has been much higher than your spouse's

This option may not be a good choice for you if:

- Your spouse is in poor health
- Your spouse is much older than you
- Your spouse is not eligible for a widow's benefit from SSA due to their own employment from a governmental unit, including any service time not paid into Social Security. (Ex: Teacher's Retirement System, State Universities' Retirement System)
- You and your spouse both contributed to SSA, but your salary has been much lower than your spouse's

If you choose the Social Security offset removal and your marital status changes due to divorce or death of your spouse, you can elect to discontinue the 3.825% reduction going forward. You will not be refunded the prior reductions from your retirement annuity. You cannot revoke the Social Security offset removal if you have an eligible survivor, such as a minor child, full-time student under age 22 or a dependent disabled adult child.

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Retirement Application

Please print or type

Member information

Name

Effective date of your retirement *(MM/DD/YY)*
/ 01 /

Address *(Street)*

Phone number
(H)
(C)

(City, State, Zip)

SSN *(last 4)* **or Member ID**

Date of birth

Birth certificate required
☐ Yes ☐ No

Email address

Dependents

Current marital status (select one)

☐ Single ☐ Divorced ☐ Widowed ☐ Married – Date of marriage or civil union: Month _____ Day ____ Year _____

If currently married, name of spouse: _____ Spouse's date of birth _____

List all minor children, even if not living with you (including natural, adopted or step children) under age 18, under age 22 if a full-time student and/or over age 18 who are physically or mentally disabled. Dependent parents may be listed as well.

Name	Relationship	Date of birth	Disabled
			☐ Yes ☐ No
			☐ Yes ☐ No
			☐ Yes ☐ No
			☐ Yes ☐ No

If you are single with no dependents or have been married less than one year, would you like a refund of survivor contributions?

☐ Yes ☐ No

If you receive a refund of your survivor contributions, survivor benefits are not payable at the time of your death.

Legal history

Were you ever convicted of a felony related to, arising from or in connection with your service as a member of SERS?

☐ Yes ☐ No

Social Security Offset removal

As part of your SERS benefits, your qualified survivor(s) will be eligible for a survivor annuity after your death. If you contributed to Social Security as a state employee, an offset of 50% is usually applied to the survivor benefit when the survivor becomes eligible for Social Security benefits. ***You may elect to reduce your retirement annuity by 3.825% to avoid the offset that may be applied to a future survivor annuity.***

Please check one:

- ☐ I elect to participate and authorize SERS to reduce my monthly benefit by 3.825%.
- ☐ I do not elect to participate.

Level Income option

Only members who contribute to Social Security are eligible to choose the Level Income option. This option increases your retirement by a percentage of the amount of Social Security benefit you are eligible to receive immediately. Your retirement benefit will later be reduced by the full amount of the Social Security benefit for which you are eligible to receive at the age you choose below. You must submit a Social Security estimate with your signature, dated within six (6) months of your retirement date, which will be used to calculate your Level Income amount.

A retiring member with a QILDRO on file with SERS may not choose Level Income without contacting the QILDRO Department at 217-524-6965. A retirement benefit including a QILDRO and Level Income will require additional processing time.

I fully understand the Level Income option and agree my retirement benefit will be reduced at the age I elect.

Please check one:

- ☐ I elect the Level Income option for age 62 years and 1 month.
- ☐ I elect the Level Income option for the age at which I am eligible to receive my full Social Security benefit.
- ☐ I do not elect the Level Income option, or it does not apply to me.

Special note for those electing the Level Income option: *SERS benefits are paid for the current month (July's payment is paid in July) and Social Security benefits are paid one month behind (July's payment is paid in August); therefore, there will be one month you will receive a reduced benefit from SERS and you will not receive a Social Security benefit.*

Reciprocal service

Do you have service credit in any of the following systems? ☐ Yes ☐ No

If yes, please check only the system(s) you wish to include when having your reciprocal benefit calculated. *You must apply with all systems when you apply for a reciprocal retirement.*

- ☐ Chicago Teachers' Pension Fund
- ☐ County Employees' Annuity & Benefit Fund of Cook County
- ☐ Forest Preserve District Employees' Annuity & Benefit
- ☐ General Assembly Retirement System
- ☐ Illinois Municipal Retirement Fund
- ☐ Judges' Retirement System
- ☐ Laborers' Annuity & Benefit Fund of Chicago
- ☐ Metropolitan Water Reclamation District Retirement Fund
- ☐ Municipal Employees' Annuity & Benefit Fund of Chicago
- ☐ Park Employees' Annuity & Benefit Fund of Chicago
- ☐ State Universities Retirement System
- ☐ Teachers' Retirement System

If I am currently receiving SERS disability benefits, I understand these benefits will be terminated and retirement benefits will begin.

By signing below, I certify this information is correct and that I am aware that knowingly making a false statement or falsifying a record in an attempt to defraud SERS is a class 3 felony. I understand that if the SERS Board of Trustees has a reasonable suspicion that an attempt has been made to defraud SERS, it is required to report the matter to the appropriate State's Attorney for investigation.

Member signature _____ **Date** _____

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State Life Insurance and Medicare Information

Life insurance

If you are retiring within one year of terminating state employment and you are under age 60, your life insurance will remain as it was as an active employee. Once you turn age 60 (retired), your basic life insurance will reduce to $5,000 and any optional life insurance you carry will reduce by increments of $5,000. Spouse life insurance will reduce to $5,000. Child life will remain at $10,000. Members retiring at age 60 or above who will experience a reduction in life insurance coverage at the time of their retirement can contact Minnesota Life at 888-202-5525 to discuss conversion or portability options.

If you are retiring after one year of terminating state employment, you are eligible for basic life insurance only.

Medicare information

Medicare is a federal health insurance program for individuals 65 and older, individuals under age 65 with certain disabilities and individuals at any age with End Stage Renal Disease.

The State of Illinois Group Insurance Program requires retired or disabled plan participants and their dependents who become eligible for premium-free Medicare Part A (hospitalization) to enroll in Medicare Part B (outpatient services, including physician office visits, labs, x-rays and some medical supplies).

If you are not sure if you qualify for premium-free Medicare Part A, contact your local Social Security office. If a retiring or disabled plan participant fails to purchase Part B of Medicare once they become eligible for premium-free Part A, the state will reduce its benefits and the member will pay the portion Medicare would have paid. This reduction will result in additional out-of-pocket expenses to the member.

If a member and/or member's dependent(s) are not eligible for premium-free Part A of Medicare, the state will pay your health insurance claims at the normal benefit level with no reduction. The SERS Insurance Department requires a letter from the Social Security Administration (SSA) verifying ineligibility for premium-free Medicare Part A.

State health insurance premiums are lower for Medicare-Prime (enrolled in both Part A and Part B of Medicare) dependents.

If you and/or your dependents receive or have Medicare cards from the SSA, please send a copy of the card(s) to the SERS Insurance Department to ensure your insurance is coded correctly to avoid claim and/or premium errors.

Questions about Medicare should be directed to CMS Medicare Unit at 217-782-7007.

Carefully review your retirement benefit check to ensure deductions are correct.

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State Insurance Instruction Sheet

MyBenefits (Morneau Shepell) is a vendor who administers the State of Illinois Group Insurance Program. MyBenefits will assist retirees with insurance questions, choices and changes through a customized website and call center. If you do not have access to a computer, the MyBenefits call center staff will assist you by telephone.

Instructions

1. Complete the Retiree Insurance Form (3991). ***This is a required form you must complete and return to SERS.***
2. SERS will process form 3991 and send notification to MyBenefits two weeks prior to your retirement date.
3. MyBenefits will send an email to you (if email address is provided on Form 3991) or mail a letter to you, verifying they have received notification of your retirement.
4. If you wish to enroll, opt-out or make any changes to your current coverage, log on to mybenefits.illinois.gov or call MyBenefits at 844-251-1777.

By logging on to the MyBenefits website (*mybenefits.illinois.gov*), you can:

- Register
- Make changes to your insurance at retirement, during open enrollment periods or when you have a qualifying life event (such as adding or terminating dependents, marriage, divorce, etc.)
- View plans, premium costs and other important information.
- Use MyBenefits online tools to determine the best plan for you.
- Download and upload forms that are required to make your desired changes.

If you do not have access to a computer, contact MyBenefits at 844-251-1777 (TDD/TTY 844-251-1778).

Continue contacting SERS for:

- Address changes
- Power of Attorney/legal guardian documents
- Questions about your retirement information, retirement check and other deductions
- Opt-Out with Financial Incentive information.*

**If you choose the opt-out incentive, you must go through SERS for this benefit. See Form 3991 for more information.*

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Retiree Insurance Form

Please note that this is a required form if you meet the service eligibility requirement below. If you fail to submit this form, it could delay the ability to enroll or make changes to your insurance. See the enclosed form (3018) for insurance benefit instructions. Attach a copy of Medicare card(s) for you and any dependents (if applicable).

Service requirements for insurance eligibility
Members who become vested for a retirement benefit based on their years of service (8 years for Tier 1 members, 10 years for Tier 2 members) are eligible to participate in the State of Illinois Group Insurance Program at the time of their retirement.
Note: *If you do not meet the vesting requirement, you are not eligible to participate and should not complete this form.*

Rates
Members retiring with 20 or more years of service will receive premium-free health insurance. Members retiring who meet the minimum eligibility requirements will share the cost of their health insurance coverage with the state. For each full year of qualified service the member has completed, the state will contribute 5% toward the member's insurance premiums. Visit ***srs.illinois.gov*** or ***mybenefits.illinois.gov*** for rates. ***Note:*** *Premiums for dental and dependent coverage are additional.*

Member/payee information

Name *(Last, first, middle)*

Effective date of your retirement *(MM/DD/YY)*
/ 01 /

Residential address *(Street, City, State, Zip)*

SSN (last 4) or Member ID

Mailing address *(if different than street address) (Street, City, State, Zip)*

Date of birth

Email address

Phone number(s)
(H)
(C)

Opt-out financial incentive

If you are not currently eligible for Medicare, you may elect not to participate in the State Employees Group Insurance Program and receive a monthly financial incentive. Members who have 20 years of service are eligible to receive $500/mo. Members who have less than 20 years are eligible for $150/mo.

☐ I elect to opt out of the insurance program and take the financial incentive. Please send an incentive packet to me.
(You must be vested to qualify for this option.)
Date sent (by email or U.S. mail) _____ GIR initials _____

Note: If you elect to opt out without the financial incentive, see form 3018, #5 for instructions.

Members currently enrolled as a dependent

☐ I am currently enrolled as a dependent on my state-covered spouse or civil union partner's health, dental and vision coverage for at least one year, therefore I qualify to remain as a dependent on that policy. I understand that by waiving my coverage as a retiree to remain a dependent on my spouse/civil union partner's policy, the only coverage I qualify for as a retiree (member) is life insurance coverage.

By signing below I certify this information is correct and that I am aware that knowingly making a false statement or falsifying a record in an attempt to defraud SERS is a class 3 felony. I understand that if the SERS Board of Trustees has a reasonable suspicion that an attempt has been made to defraud SERS, it is required to report the matter to the appropriate State's Attorney for investigation.

Member signature _____ **Date** _____

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Fax: 217-524-9039

Direct Deposit Agreement for Benefit Payments

Please print or type. Enclose a voided check or deposit slip.

Member/Payee Information

Name *(Last, first, middle)*

SSN *(last 4)* **or Member ID**

Address *(Street)*

Phone number(s)

(H)

(City, State, Zip)

(C)

Email address

Signature

I, the above-designated payee, am receiving a monthly benefit from SERS. I hereby authorize SERS to forward such payments by electronic fund transfer to the financial institution indicated below, and I hereby authorize the financial institution to credit the amounts of those payments to the account listed below. This authority is to remain in full effect until my death or the end of my eligibility period, or until SERS has received written notice from me of its termination (provided the notice is submitted in a time and manner that allows SERS to act on the termination request).

I hereby acknowledge that my monthly benefits terminate at the end of the month of my death or my eligibility period. Accordingly, I agree that if any benefit payments to which I am not entitled shall have been received by my financial institution, I or we (if my account is a joint account) hereby authorize and direct my financial institution to refund the same to SERS and charge such refund payments to the account listed below, or to the extent money has been withdrawn from the account listed below by any other of the undersigned, to charge such refund payments to any other account which we, individually or jointly, may have in such financial institution. I further direct my financial institution to provide SERS with the names and addresses of all individuals that are joint account holders as of the date that the request is submitted by SERS. I or we (if my account is a joint account) further agree to hold harmless my financial institution for any action taken pursuant to or in compliance with this depository agreement.

By signing below, I certify this information is correct. I am aware that, under the Illinois Pension Code (40 ILCS 5/1-135), any person who knowingly makes any false statement or falsifies or permits to be falsified a record in an attempt to defraud SERS is guilty of a Class 3 felony. I understand that, if the SERS Board of Trustees has a reasonable suspicion that an attempt has been made to defraud SERS, it is required to report the matter to the appropriate state's attorney for investigation.

Member signature _____ **Date** _____

(Also includes Power of Attorney – must attach document, or legal guardian – must attach court order)

Joint account holder signature *(if any)* _____ **Date** _____

Joint account holder signature *(if any)* _____ **Date** _____

Financial Institution Acceptance *(This portion must be completed by the financial institution)*

The undersigned, on behalf of the financial institution below, hereby accepts the depository agreement as set forth above and verifies the signatures of all persons having an interest in the account.

Financial institution name

Account holders name(s)

Address *(Street)*

Branch designation *(if applicable)*

(City, State, Zip)

Phone number

☐ This account currently receives a direct deposit from the State of IL.

☐ Checking account ☐ Savings account

ACH Routing number ☐☐☐☐☐☐☐☐☐ Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Signature and title of authorized financial institution official

Date

Direct Deposit Instructions

The terms of this depository agreement may not be amended by any party.
SERS, through the Office of the Comptroller, has the ability to electronically deposit a payee's monthly benefit to an authorized participating Automated Clearing House (ACH) Network financial institution. The financial institution may be any bank, savings bank, savings and loan association (or similar institution) or federal or state-chartered credit union in which the payee has a checking or savings account participating in the ACH Network. **In order for SERS to deposit the payee's monthly benefit into a financial institution, the payee, all joint account holders, and the financial institution must complete this form.**

Member/payee information
The payee's name, social security number, address, home and/or cell phone number should be typed or printed in the appropriate boxes.

Signature (Account holder agreement)
After reading the conditions of the depository agreement, the payee, Power of Attorney, or legal guardian must sign and date the form. If a Power of Attorney signs the form on behalf of the payee, the Power of Attorney document must be attached to the form. If a legal guardian signs the form on behalf of the payee and if the guardian is not the natural parent of the payee, letters of office or other similar court document(s) must be attached. If there are one or more joint account holders, all joint account holders must sign and date the form.

Financial institution agreement
The selected financial institution should complete all the information requested in this section. The monthly benefit may only be deposited in an account in which the payee is listed as an account holder. The routing number should reflect the number for electronic transfers which may be different from the routing number for the branch bank at which the account is held. By an authorized individual signing this form, the financial institution agrees to accept the electronic transfer from SERS on behalf of the payee and verifies all signatures of all persons having an interest in the payee's account.

Upon completion of the form by account holders and the financial institution, return the form to SERS by mail or fax for processing.

- Once your bank information is updated in the SERS system, you will receive notification your next check will be processed electronically.
- You can securely view your monthly earnings statement through the SRS Member Services website. To view your account information, you may register through our website at ***srs.illinois.gov*** and navigate to the link "view PDF version on how to secure an ID." You will find instructions for the one-time registration process that must be completed to access your account information online.

Termination of depository agreement
This depository agreement shall remain in effect until terminated by:
- the death of the payee or the end of payee's eligibility period;
- cancellation by the payee, Power of Attorney or legal guardian by written notice to SERS *(within a reasonable amount of time to act upon the termination request); or*
- the closing of the account by the payee or financial institution.

The amount of any payments received after termination should be returned to SERS by the financial institution or an account holder, along with a statement including the name of the payee, payee's Social Security number and the date of the erroneous deposit.

SERS
State Employees' Retirement System
srs.illinois.gov

2101 South Veterans Parkway
P.O. Box 19255
Springfield, IL 62794-9255

217-785-7444
Email: sers@srs.illinois.gov

Death Benefit Beneficiary Designation

Refer to instructions on opposite page. Type or print in ink.

Member information

Name *(Last, first, middle)* _____

SSN *(last 4)* **or Member ID** _____

Address *(Street, City, State, Zip)* _____

Phone number _____

Any death benefits payable by State Employees' Retirement System shall be paid in EQUAL SHARES to the following beneficiaries who survive me.

PRIMARY

Beneficiary name *(last, first, middle initial)* **Relationship / Phone number**	**Street Address** **City, State, Zip code**	**SSN** *(last 4 digits) (optional)* **Date of Birth** *(MM/DD/YYYY)*

In the event all primary beneficiaries die before me, the death benefit shall be paid in EQUAL SHARES to the following secondary beneficiary(ies) who survive me.

SECONDARY

Beneficiary name *(last, first, middle initial)* **Relationship / Phone number**	**Street Address** **City, State, Zip code**	**SSN** *(last 4 digits) (optional)* **Date of Birth** *(MM/DD/YYYY)*

By signing below I certify this information is correct and that I am aware that knowingly making a false statement or falsifying a record in an attempt to defraud SERS is a class 3 felony. I understand that if the SERS Board of Trustees has a reasonable suspicion that an attempt has been made to defraud SERS, it is required to report the matter to the appropriate State's Attorney for investigation.

Member signature _____ **Date** _____

Beneficiary Designation Instructions

This form is used to designate beneficiaries to receive any lump-sum death benefits payable from the State Employees' Retirement System (SERS) in the event of your death. If you do not designate beneficiaries, death benefits will be paid to your estate. The Death Benefit Beneficiary Designation Form does **not** pertain to survivor benefits or life insurance proceeds.

This form should be typed or printed clearly in ink. Cross through and initial any corrections or changes. Do not use correction fluid. If you need additional space for primary or contingent beneficiaries, attach a signed and dated sheet listing additional beneficiaries, including all details, as indicated in Beneficiary Designation section.

Payment progression: Your death benefits will be paid first to your primary beneficiaries. If some of your primary beneficiaries die before you, your death benefit will be divided among those primary beneficiaries who are still living. Secondary beneficiaries will receive benefits only if no primary beneficiary survives you.

If you specify percentages to be paid to beneficiaries in either the primary or secondary designation areas, the percentages in each category must total 100%. If you choose to designate specific percentages, please write the percentage next to each name.

Please provide all of the requested information for each designated beneficiary, including the date of birth and last four digits of the Social Security number as this information will help SERS locate your beneficiaries. If you want to name your estate as beneficiary, write the word "Estate" on the Death Benefit Beneficiary Designation Form. It will be the responsibility of your executor to distribute the proceeds as outlined in your will.

DO NOT return this form to your agency. The beneficiary designation must be returned to SERS and becomes effective when received and deemed valid by SERS. Invalid forms will be returned with further instructions. Any form received by SERS after the member's date of death will be invalid.

You may change beneficiaries at any time by completing a new Death Benefit Beneficiary Designation Form. The form on file at SERS that has the most recent date located next to the member's signature will take precedence.

Once you have completed your designation and signed and dated the form, it must be mailed or sent by facsimile to SERS. **DO NOT** email this form to SERS. Email is not secure and puts your personal information at risk.

A person with Power of Attorney may sign a Death Benefit Beneficiary Designation Form on behalf of a member. They must also submit a copy of the Power of Attorney papers and the papers must specifically state that the person with Power of Attorney has the right to name and/or change the beneficiaries for the member.

An acknowledgement will be sent to active and inactive employees upon receipt of a valid designation. Retirees will be notified of a valid designation on their annual benefit statement.

SERS
State Employees' Retirement System
srs.illinois.gov

2101 South Veterans Parkway
P.O. Box 19255
Springfield, IL 62794-9255

217-785-7444
Email: sers@srs.illinois.gov

Taxes, Lump-Sum Payments and Rollovers Fact Sheet

Common lump-sum payments

The most common lump-sum payments are termination refunds when leaving state employment, death benefits paid to your beneficiaries, and survivor contribution refunds at retirement.

Early distribution penalty

If you terminate employment and take a refund of your SERS contributions prior to age 55 (50 for public safety employees), you are subject to a 10% early distribution penalty if you do not roll the refund into a qualified plan. This early distribution penalty does not apply if you receive a termination refund after age 55, or because of death or disability. Lump-sum death benefits, survivor contribution refunds and alternative formula refunds are typically not subject to the 10% early distribution penalty.

*Limitations on rollovers

You can roll any of the taxable portions of your funds into a 457(b) Deferred Compensation Plan, however you are not allowed to roll after-tax contributions into this plan.

Rollovers to IRAs

You must report any after-tax contributions you roll to an IRA to the IRS. Some IRAs limit the amount of transfers you can make within a 12-month period.

**Rollovers to Roth IRAs

You may roll a lump-sum payment from a tax-deferred plan into a Roth IRA, but because Roth IRAs are funded with after-tax dollars, you'll be required to pay income tax on your contributions at the time of the rollover.

Taxation of Monthly SERS Benefits

All SERS benefits are exempt from Illinois State Income Tax, but are subject to federal taxes, with the exception of monthly occupational disability benefits and monthly occupational death benefits. When applying for a benefit, you may choose how you want your federal taxes withheld. If you don't make an initial election, we withhold federal taxes at the rate for a married person with three (3) exemptions. You may change your withholding election at any time. The Comptroller's Office will send you a 1099-R tax statement every January.

If you made after-tax contributions or purchased service credit with after-tax dollars, part of your benefit will not be subject to federal taxes. SERS calculates the portion of your benefit that is exempt from federal taxes using the IRS Simplified Method. For more details, see IRS Publication 575, Pension and Annuity Income.

If you have a non-IRS dependent on your state health and dental policies, or if you have group term life insurance coverage over $50,000, the Comptroller's office will send you a Form W-2GI+.

Taxation of SERS Lump-sum payments

When we send a lump-sum payment directly to you, it is subject to a mandatory 20% federal withholding tax rate in the year you receive the payment. This withholding will be reported to the IRS and credited toward any income tax you may owe. Lump-sum payments include death benefits paid to your beneficiaries, and termination refunds when you leave state service.

Rollovers to a qualified plan

You may have all or a portion of a lump-sum payment made directly to a qualified plan to avoid a tax penalty.

Qualified plans include:

- 401(a)
- 401(k)
- 403(b)
- *457(b)
- IRAs (SIMPLE and traditional)
- **Roth IRAs

If you choose to receive a lump-sum payment made directly to you, you have 60 days to roll the payment into a qualified plan. However, we cannot reverse the mandatory 20% federal tax withholding, so you are responsible for supplying the additional funds.

You should consult with your tax advisor for additional questions.

Form **W-4P**

Department of the Treasury
Internal Revenue Service

Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0074

2020

Future developments. For the latest information about any future developments related to Form W-4P, such as legislation enacted after it was published, go to *www.irs.gov/FormW4P*.

Purpose of form. Form W-4P 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 Form W-4P to tell payers the correct amount of federal income tax to withhold from your payment(s). You may also use Form W-4P 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.

Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution, as explained on pages 2 and 3. Your previously filed Form W-4P will remain in effect if you don't file a Form W-4P for 2020.

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 for 2020 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 of form,* earlier), you can skip the worksheets and go directly to the Form W-4P below.

Sign this form. Form W-4P is not valid unless you sign it.

You can also use the estimator at ***www.irs.gov/W4App*** to determine your tax withholding more accurately. Consider using this estimator 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 W-4P takes effect, you can also use this estimator to see how the amount of tax you're having withheld compares to your projected total tax for 2020. If you use the estimator, you don't need to complete any of the worksheets for Form W-4P.

Note that if you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return.

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 filing jointly 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*. Or, you can use the Deductions, Adjustments, and Additional Income Worksheet on page 5 or the estimator at *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 estimator at *www.irs.gov/W4App* to find out if you should adjust your withholding on Form W-4 or Form W-4P.

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 designated Roth account or 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.

---------- **Separate here and give Form W-4P to the payer of your pension or annuity. Keep the worksheet(s) for your records.** ----------

Form **W-4P**

Department of the Treasury
Internal Revenue Service

Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0074

2020

▶ **For Privacy Act and Paperwork Reduction Act Notice, see page 6.**

Your first name and middle initial	Last name	**Your social security number**
Home address (number and street or rural route)		Claim or identification number (if any) of your pension or annuity contract
City or town, state, and ZIP code		

Complete the following applicable lines.

1 Check here if you **do not want any** federal income tax withheld from your pension or annuity. (Don't complete line 2 or 3.) ▶ ☐

2 Total number of allowances and marital status you're claiming for withholding from each **periodic** pension or annuity payment. (You may also designate an additional dollar amount on line 3.) . . . . . ▶ _____ (Enter number of allowances.)

Marital status: ☐ Single ☐ Married ☐ Married, but withhold at higher Single rate.

3 Additional amount, if any, you want withheld from each pension or annuity payment. (**Note:** For periodic payments, you can't enter an amount here without entering the number (including zero) of allowances on line 2.) . . . . ▶ $

Your signature ▶ **Date** ▶

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 lines 2 and 3 of Form W-4P.

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 line 1 of Form W-4P. 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 Form W-4P.

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 using Form W-4P.

Periodic payments. Withholding from periodic payments of a pension or annuity is figured using certain withholding tables that are also used to figure withholding from wages. Periodic payments are made in installments at regular intervals over a period of more than 1 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 on line 2 of Form W-4P 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 on line 3.

If you don't want any federal income tax withheld from your periodic payments, check the box on line 1 of Form W-4P and submit the form to your payer. However, see *Payments to Foreign Persons and Payments To Be Delivered Outside the United States* on page 3.

Caution: If you don't submit Form W-4P to your payer, the payer must withhold from 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 $2,095 a month.

If you submit a Form W-4P 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 on line 1 to have no federal income tax withheld.

There are some kinds of periodic payments for which you can't use Form W-4P 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 Form W-4P applies.

For periodic payments, your Form W-4P 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.

Nonperiodic payments—10% withholding. Your payer must withhold at a flat 10% rate from the taxable amount of nonperiodic payments (but see *Eligible rollover distribution—20% withholding* below) **unless** you choose not to have federal income tax withheld. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. You can choose not to have federal income tax withheld from a nonperiodic payment (if permitted) by submitting Form W-4P (containing your correct SSN) to your payer and checking the box on line 1. However, see *Payments to Foreign Persons and Payments To Be Delivered Outside the United States* on page 3. Generally, your choice not to have federal income tax withheld will apply to any later payment from the same plan. You can't use line 2 for nonperiodic payments. But you may use line 3 to specify an additional amount that you want withheld.

Caution: If you submit a Form W-4P that doesn't contain your correct SSN, the payer can't honor your request not to have income tax withheld and must withhold 10% of the payment for federal income tax.

Eligible rollover distribution—20% withholding. Distributions you receive from qualified pension or annuity plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a flat 20% federal withholding rate on the taxable amount of the distribution. The 20% withholding rate is required, and you can't choose not to have income tax withheld from eligible rollover distributions. Don't give Form W-4P to your payer unless you want an additional amount withheld. In that case, complete line 3 of Form W-4P and submit the form to your payer.

Note: The payer won't withhold federal income tax if the entire distribution is transferred by the plan administrator in a direct rollover to a traditional IRA or another eligible retirement plan (if allowed by the plan), such as a 401(k) plan, qualified pension plan, governmental section 457(b) plan, section 403(b) contract, or tax-sheltered annuity.

Distributions that are (a) required by federal law, (b) one of a specified series of equal payments, or (c) qualifying "hardship" distributions are **not** "eligible rollover distributions" and aren't subject to the mandatory 20% federal income tax withholding. See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* on page 2.

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 line 1 of Form W-4P 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 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 W-4P and submit it to your payer. If you want federal income tax withheld at the 2020 default rate (married with three allowances), write "Revoked" next to the checkbox on line 1 of the form. If you want tax withheld at a different rate, complete line 2 on the form.

Nonperiodic payments. If you previously chose not to have federal income tax withheld and you now want withholding, write "Revoked" next to the checkbox on line 1 and submit the Form W-4P to your payer.

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. Don't check the box on line 1 of Form W-4P. See Pub. 505 for details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates are generally 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 February 1 of next year, your payer will furnish a statement to you on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, 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 on page 4 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 D. Child tax credit. When you file your tax return, you may be eligible to claim a child tax credit for each of your eligible children. To qualify, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required SSN. To learn more about this credit, see Pub. 972, Child Tax Credit and Credit for Other Dependents. To reduce the tax withheld from your payments by taking this credit into account, follow the instructions on line D 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 if you're filing a joint return.

Line E. Credit for other dependents. When you file your tax return, you may be eligible to claim a credit for other dependents for whom a child tax credit can't be claimed, such as a qualifying child who does not meet the age or SSN requirement for the child tax credit, or a qualifying relative. To learn more about this credit, see Pub. 972. 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 if you're filing a joint return.

Line F. Other credits. You may be able to reduce the tax withheld from your payments if you expect to claim other tax credits, such as tax credits for education (discussed in Pub. 970). 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 the worksheet for converting credits to allowances in Pub. 505 if you want to reduce your withholding by taking these credits into account. If you compute all your credits using that worksheet in Pub. 505, enter "-0-" on lines D and E.

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 deductible 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 not subject to withholding, 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 estimator at *www.irs.gov/W4App*. If you use the estimator, you don't need to complete any of the worksheets for Form W-4P.

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 receives a pension. If you don't complete this worksheet, you might have too little tax withheld. If so, you will generally owe tax when you file your tax return and may be subject to a penalty.

Use the Multiple Pensions/More-Than-One-Income Worksheet from only one Form W-4P to figure the number of allowances you're entitled to claim and any additional amount of tax to withhold from all pensions. If you (and/or your spouse if filing jointly) have two or more pensions, withholding will generally be more accurate if only the Form W-4P for the highest paying pension (a) claims any allowances after lines A through B in the Personal Allowances Worksheet or any allowances in the Deductions, Adjustments, and Additional Income Worksheet; and (b) uses the Multiple Pensions/More-Than-One-Income Worksheet. If you (and/or your spouse if filing jointly) have a pension and a job, withholding will generally be more accurate if the Form W-4P for the pension doesn't claim any allowances after lines A through B in the Personal Allowances Worksheet or any allowances in the Deductions, Adjustments, and Additional Income Worksheet. However, you may need to use the Multiple Pensions/More-Than-One-Income Worksheet. If you (and/or your spouse if filing jointly) have more than one pension (or a pension and a job) and you need to complete a new Form W-4P or Form W-4 for a pension or a job, you (and/or your spouse) will generally get more accurate withholding by completing new Form(s) W-4P or Form(s) W-4 for all other pensions and jobs. See Pub. 505 for details.

Another option is to use the estimator at *www.irs.gov/W4App* to figure your withholding more precisely.

Personal Allowances Worksheet (Keep for your records.)

A Enter "2" 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 **Child tax credit.** See Pub. 972 for more information.

- If your total income will be less than $72,351 ($105,051 if married filing jointly), enter "4" for each eligible child.
- If your total income will be from $72,351 to $181,950 ($105,051 to $351,400 if married filing jointly), enter "2" for each eligible child.
- If your total income will be from $181,951 to $200,000 ($351,401 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-" . . . . . **D** _____

E **Credit for other dependents.** See Pub. 972 for more information.

- If your total income will be less than $72,351 ($105,051 if married filing jointly), enter "1" for each eligible dependent.
- If your total income will be from $72,351 to $181,950 ($105,051 to $351,400 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 $181,950 ($351,400 if married filing jointly), enter "-0-" . . . . . **E** _____

F **Other credits.** If you have other credits, see the worksheet for converting credits to allowances in Pub. 505 and enter the amount from that worksheet here. If you compute all your credits using that worksheet in Pub. 505, enter "-0-" on lines D and E . . . . . **F** _____

G Add lines A through F and enter the total here . . . . . ▶ **G** _____

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 not subject to withholding and want to increase your withholding, see the **Deductions, Adjustments, and Additional Income Worksheet** on page 5.
- 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 $13,000 ($25,000 if married filing jointly), see the **Multiple Pensions/More-Than-One-Income Worksheet** on page 5 to avoid having too little tax withheld, or use the estimator for more accuracy.
- If **neither** of the above situations applies, **stop here** and enter the number from line G on line 2 of Form W-4P above.

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 not subject to withholding.

1	Enter an estimate of your 2020 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: { $24,800 if you're married filing jointly or qualifying widow(er) / $18,650 if you're head of household / $12,400 if you're single or married filing separately }	**2**	$
3	**Subtract** line 2 from line 1. If zero or less, enter "-0-"	**3**	$
4	Enter an estimate of your 2020 adjustments to income, qualified business income deduction, 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 2020 other income not subject to withholding (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 $4,300 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 G, on page 4	**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 on Form W-4P, line 2, on page 1	**10**	

Multiple Pensions/More-Than-One-Income Worksheet

Note: Use this worksheet *only* if the instructions under line G 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 G, on page 4 (or from line 10 above if you used the **Deductions, Adjustments, and Additional Income Worksheet**)	**1**	
2	Find the number in **Table 1** on page 6 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 "7"	**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 on Form W-4P, line 2, on page 1. **Do not** use the rest of this worksheet	**3**	

Note: If line 1 is **less than** line 2, enter "-0-" on Form W-4P, line 2, on page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.

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** on page 6 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 in 2020. For example, divide by 8 if you're paid every month and you complete this form in April 2020. Enter the result here and on Form W-4P, line 3, on page 1. This is the additional amount to be withheld from each payment		**9**	$

Table 1

Married Filing Jointly		All Others	
If wages from **LOWEST** paying job or pension are—	Enter on line 2 above	If wages from **LOWEST** paying job or pension are—	Enter on line 2 above
$0 - $799	0	$0 - $799	0
800 - 5,100	1	800 - 5,100	1
5,101 - 9,400	2	5,101 - 9,400	2
9,401 - 13,700	3	9,401 - 13,700	3
13,701 - 18,000	4	13,701 - 22,000	4
18,001 - 22,300	5	22,001 - 27,500	5
22,301 - 26,600	6	27,501 - 32,000	6
26,601 - 35,000	7	32,001 - 40,000	7
35,001 - 40,000	8	40,001 - 60,000	8
40,001 - 46,000	9	60,001 - 75,000	9
46,001 - 55,000	10	75,001 - 85,000	10
55,001 - 60,000	11	85,001 - 95,000	11
60,001 - 70,000	12	95,001 - 100,000	12
70,001 - 75,000	13	100,001 - 110,000	13
75,001 - 85,000	14	110,001 - 115,000	14
85,001 - 95,000	15	115,001 - 125,000	15
95,001 - 125,000	16	125,001 - 135,000	16
125,001 - 155,000	17	135,001 - 145,000	17
155,001 - 165,000	18	145,001 - 160,000	18
165,001 - 175,000	19	160,001 - 180,000	19
175,001 - 180,000	20	180,001 and over	20
180,001 - 195,000	21		
195,001 - 205,000	22		
205,001 and over	23		

Table 2

Married Filing Jointly		All Others	
If wages from **HIGHEST** paying job or pension are—	Enter on line 7 above	If wages from **HIGHEST** paying job or pension are—	Enter on line 7 above
$0 - $25,350	$430	$0 - $7,375	$430
25,351 - 85,850	520	7,376 - 37,625	520
85,851 - 176,650	950	37,626 - 83,025	950
176,651 - 332,200	1,030	83,026 - 160,800	1,030
332,201 - 420,300	1,380	160,801 - 204,850	1,380
420,301 - 627,650	1,510	204,851 - 515,900	1,510
627,651 and over	1,590	515,901 and over	1,590

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We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are 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 are 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 are 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.