

# Iowa W-4P Instructions

## Eligibility Requirements

A partial exemption is provided to qualified Iowa residents receiving pensions, annuities, self-employed retirement benefits, deferred compensation, IRA distribution, or other retirement benefits. To qualify you must be 55 years of age or older, disabled or a surviving spouse or other survivor of an individual who would have qualified for the exclusion in the tax year. To be considered disabled you must be receiving the retirement income on the basis of a documented disability or you must meet federal or state criteria for disability. **Social Security benefits are not covered by this exemption.** Federal Civil Service annuitants who want Iowa tax withheld from federal pensions should call the Office of Personnel Management toll-free at 1-888-767-6738 or e-mail retire@opm.gov.

## Withholding Choices

An Iowa resident may choose to have Iowa tax withheld on the annual taxable amount, exempting \$6,000. Married taxpayers may exclude up to \$12,000 from the annual taxable amount.

**Only the pension income of the spouse who meets the eligibility requirements can be excluded.** If no choice is made, you will automatically be given a \$6,000 exemption. If you are receiving retirement income from more than one source, you are still entitled to claim only a maximum \$6,000/\$12,000 exemption.

## Low Income Exemption From Tax

**Taxpayers 65 years of age or older:** You are exempt if (1)

You are single and your income is \$24,000 or less, or (2) Your filing status is other than single and your combined income is \$32,000 or less. *Note:* The amount of any pension exclusion or Social Security Phase-out exclusion must be added back to income for purposes of determining the low income exemption. Only one spouse must be 65 or older to qualify for the exemption.

**Taxpayers under 65:** You are exempt if (1) Your net income is less than \$5,000 and you are claimed as a dependent on another person's Iowa return; or (2) You are single and your net income is \$9,000 or less and you are not claimed as a dependent on another person's Iowa return; or (3) Your filing status is other than single and your combined net income is \$13,500 or less.

## Claiming No Exemption

If this box is checked, Iowa income tax will be withheld on the entire amount of taxable benefits received.

## Withholding Rates

Payers have the option of withholding at the rate of 5% or using the published withholding formulas or withholding tables.

## Where To Send The Iowa W-4P

Return the completed form to the person who handles your pension/retirement check, or, if planning to retire, your current payroll officer. If you are a federal employee, return it to OPM. Your choice will remain in effect until you complete a new W-4P. Withholding agents will retain the completed W-4P as required under Iowa rule 701-38.3(1).



Iowa Department of Revenue

[www.state.ia.us/tax](http://www.state.ia.us/tax)

# 2011 Iowa W-4P

## Withholding Certificate for Pension or Annuity Payments

Name: \_\_\_\_\_ SSN: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Are you an Iowa resident? .....  Yes  No

**Iowa income tax can be withheld only for Iowa residents.**

I choose **not to have** income tax withheld from my pension/annuity .....

NOTE: If you are an Iowa resident and the taxable portion of your annual distribution is greater than \$6,000 (\$12,000 married Iowa filers), Iowa tax must be withheld if federal tax is being withheld unless you qualify for the low income exemption described in the instructions above.

I choose **to have** Iowa income tax withheld from my pension/annuity at a rate of 5% (or based on the published withholding formulas if the payer so chooses). Select one of the following:

- claiming no exemption (see instructions) .....
- exempting \$6,000 in benefits each year .....
- exempting \$12,000 in benefits each year (married – status 2, 3, or 4 – Iowa filers only) .....

Additional amount, if any, to be withheld from each benefit payment (whole dollars): \$ \_\_\_\_\_ **.00**

See instructions for eligibility requirements.