



---

## Revised Form CT-W4P for Connecticut Resident Recipients of Pension and Annuity Distributions

---

**Purpose:** This announcement answers commonly-asked questions about the requirement of Connecticut resident recipients of pension, annuities and other deferred compensation to complete the revised **Form CT-W4P, Withholding Certificate for Pension and Annuity Payments**. Examples are provided at the end of this Announcement.

---

**1. Why was Form CT-W4P changed?** Form CT-W4P has been revised for 2018 to reflect the new legislation that requires payers to withhold Connecticut income tax from the payments of pension, annuities, and other deferred compensation made to Connecticut resident individuals. This requirement applies to payments made on or after January 1, 2018.

Prior to January 1, 2018, a payer of pension or annuity distributions was required to deduct and withhold Connecticut income tax from pension and annuity distributions only when the payee requested that income tax be deducted and withheld.

---

**2. What were the changes made to Form CT-W4P?** Form CT-W4P was revised to include withholding codes, similar to **Form CT-W4, Employee's Withholding Certificate**, used by employers for withholding from paychecks. The 2018 Form CT-W4P requires payees to choose a withholding code based on the payee's 2018 anticipated filing status and estimated annual gross income. Form CT-W4P for 2017 or prior is now obsolete.

---

**3. What is the new withholding requirement?** Effective January 1, 2018, payers that maintain an office or transact business in Connecticut and make distributions of taxable pensions or annuities to Connecticut resident individuals are required to deduct and withhold income tax from such distributions.

Taxable distributions subject to withholding include distributions from the following:

- an employer pension;
- an annuity;
- a profit sharing plan;
- a stock bonus;
- a deferred compensation plan;
- an individual retirement arrangement;
- an endowment; **and**
- a life insurance contract.

The new legislation requires payers to calculate the amount of withholding on periodic payments in the same method used by employers when employers determine the amount to withhold from wages. If you receive regular payments, you must provide to your payer a new completed Form CT-W4P to allow your payer to calculate the correct amount of withholding.

---

**4. If I received Form CT-W4P, do I need to complete it?** If you are a Connecticut resident receiving taxable pension or annuity distributions, and you received Form CT-W4P from your payer, then you should complete the form and return it as instructed by your payer in order to have the correct amount of Connecticut income tax withheld.

---

**5. What if I did not receive Form CT-W4P from my payer?** If you are a Connecticut resident receiving taxable pension or annuity distributions from a payer that maintains an office or transacts business in Connecticut, then you should download the 2018 Form CT-W4P from the Connecticut Department of Revenue (DRS) website at [www.ct.gov/drs](http://www.ct.gov/drs). Once you complete the form, contact your payer to determine where to send it.

If your payer does not have an office or transact business in Connecticut, then your payer is not required to withhold Connecticut income tax from your payments and you do not need to complete

Form CT-W4P. However, you may need to make estimated payments.

---

**6. What happens if I do not complete Form CT-W4P?** If you do not complete a Form CT-W4P for your payer, your payer may withhold at the highest marginal rate of 6.99%.

---

**7. If my pension payer is not located in Connecticut and does not withhold, how do I make payments?** You may make quarterly estimated payments by completing Form CT-1040ES, *Estimated Connecticut Income Tax Payment Coupon for Individuals*, which can be downloaded at [www.ct.gov/drs](http://www.ct.gov/drs), or by making an electronic payment through the DRS Taxpayer Service Center, which is available at [www.ct.gov/drs/tsc](http://www.ct.gov/drs/tsc).

---

**8. Do I need to complete Form CT-W4P if I am not a Connecticut resident?** No. The withholding requirement is only for Connecticut residents. Please ensure that you have changed your address with your payer if you are no longer a Connecticut resident. If your payer is using a Connecticut address for you, the payer may withhold at the highest marginal rate of 6.99%.

---

**9. If my payer is already withholding a specific amount of Connecticut income tax, do I have to complete a new Form CT-W4P?** If your payer is withholding a specific dollar amount based on a 2017 or earlier Form CT-W4P, then you must complete a new form. Prior year Forms CT-W4P do not contain all the information the payer needs to correctly calculate your withholding.

---

**10. How do I determine my withholding code when completing Form CT-W4P?** Use the chart on Page 1 of Form CT-W4P and follow these steps to determine your withholding code:

Step 1. Select the filing status you expect to report on your Connecticut income tax return for the 2018 taxable year;

Step 2. Choose the statement that best describes your expected annual gross income for the 2018 taxable year;

Step 3. Based on the filing status and annual gross income, select the withholding code that applies to you and enter it on Line 1.

If your spouse receives a separate pension or other income and you file a joint return, you must include your spouse's expected income when determining your withholding code.

---

**11. Can I increase or decrease the amount of withholding?** Yes. After you determine the withholding code and enter it on Line 1 on Form CT-W4P, you may increase or decrease the amount of Connecticut withholding from each payment by specifying an amount on Line 2 or Line 3.

---

**12. How do I know how much my payer will withhold?** If you receive monthly periodic payments, you can find an estimate of the amount of Connecticut withholding using the table, *2018 Approximate Withholding Amount from Monthly Payments*, on page 4 of this Announcement or by using the 2018 Monthly Connecticut Withholding Calculator, available on the DRS website at [www.ct.gov/drs](http://www.ct.gov/drs).

---

**13. Do I include my Social Security benefits when determining my withholding code?** For purposes of determining your withholding code, do **not** include your Social Security if your filing status is:

- Single or married filing separately and your federal adjusted gross income is **less than \$50,000**; or
- Married filing jointly, qualifying widow(er), or head of household and your federal adjusted gross income is **less than \$60,000**.

If your federal adjusted gross income is above these income limits for your filing status, then include 25% of your total Social Security benefits.

---

#### Examples:

**Example 1.** Jane Doe received **Form CT-W4P** from her pension payer. She is single and receives an annual pension from her payer of \$30,000. She has no other income. Jane should:

- Determine her filing status:  
Single
- Determine her annual gross income:  
\$30,000

Because Jane's expected annual gross income is greater than \$15,000 she should:

- Insert Code **"F"** on Line 1 of **Form CT-W4P**.

- Sign, date and return **Form CT-W4P** to her payer (not DRS).

**Example 2.** Adam Smith received Form CT-W4P from his pension payer. His filing status is head of household. He receives an annual pension of \$25,300 and \$15,000 in alimony. He has no other income. Adam should:

- Determine his filing status:  
Head of household
- Determine his annual gross income:  
\$40,300 (\$25,300 + \$15,000)

Because Adam's expected annual gross income is greater than \$19,000 he should:

- Insert Code "**B**" on Line 1 of **Form CT-W4P**.

Adam knows his Connecticut income tax each year is approximately \$760. Because his withholding will not be sufficient to cover his Connecticut income tax, he will need to increase his withholding or make quarterly estimated payments. If Adam decides to increase his withholding amount, he should:

- Refer to the table on Page 4 to estimate the amount that will be withheld from his monthly pension payment.
  - Using his monthly pension payment of \$2,108 ( $\$25,300/12$ ) and his withholding code "B" the withholding would be approximately \$6.25 each month.
- Calculate the additional amount to withhold by:
  - Multiplying the monthly withholding by 12 ( $\$6.25 \times 12 = \$75$ )
  - Subtract that amount from his expected tax liability ( $\$760 - \$75 = \$685$ )
  - Divide that amount by 12 ( $\$685/12 = \$57$ )
- Enter the additional amount of withholding for each payment, \$57, on Line 2.
- Sign, date and return **Form CT-W4P** to his payer (not DRS).

---

**Effective Date:** Upon issuance. Withholding for these payments will begin January 1, 2018.

**Statutory Authority:** Conn. Gen. Stat. § 12-705 as amended by 2017 Conn. Pub. Acts 147, § 6.

---

**Effect on Other Documents:** None.

---

**Effect of This Document:** Announcements alert taxpayers to new developments (other than newly enacted or amended Connecticut or federal laws or newly released judicial decisions), including new administrative positions, policies, or practices.

---

**For Further Information:** Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (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.

---

**Forms and Publications:** Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) to download and print Connecticut tax forms and publications.

---

**Paperless Filing/Payment Methods (fast, easy, free, and confidential):** Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** at [www.ct.gov/drs/tsc](http://www.ct.gov/drs/tsc) to file a variety of tax returns, update account information, and make payments online.

**File Electronically:** You can choose first-time filer information and filing assistance or log directly into the **TSC** to file returns and pay taxes.

**Pay Electronically:** You can pay taxes for tax returns that cannot be filed through the **TSC**. Log in and select the *Make Payment Only* option. Choose a payment up to the due date of the tax and mail a paper return to complete the filing process.

---

**DRS E-alerts Email Service:** Get connected to the latest DRS news including new legislation, policies, press releases, and more. Visit the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS) and select *Sign up for e-alerts* under *How Do I?* on the gold navigation bar.

**State of Connecticut  
2018 Approximate Withholding Amount  
From Monthly Payments**

**This table is for reference purposes  
only. Do NOT enter any amounts  
from this table on Form CT-W4P.**

Monthly Wages		Withholding Amount				
Greater Than	Less Than Or Equal To	A	B	C	D	F
\$0	\$83	\$0.00	\$0.00	\$0.00	\$1.25	\$0.00
\$83	\$166	\$0.00	\$0.00	\$0.00	\$3.74	\$0.00
\$166	\$250	\$0.00	\$0.00	\$0.00	\$6.24	\$0.00
\$250	\$333	\$0.00	\$0.00	\$0.00	\$8.75	\$0.00
\$333	\$416	\$0.00	\$0.00	\$0.00	\$11.24	\$0.00
\$416	\$500	\$0.00	\$0.00	\$0.00	\$13.74	\$0.00
\$500	\$583	\$0.00	\$0.00	\$0.00	\$16.25	\$0.00
\$583	\$666	\$0.00	\$0.00	\$0.00	\$18.74	\$0.00
\$666	\$750	\$0.00	\$0.00	\$0.00	\$21.24	\$0.00
\$750	\$833	\$0.00	\$0.00	\$0.00	\$23.75	\$0.00
\$833	\$916	\$0.00	\$0.00	\$0.00	\$27.06	\$0.00
\$916	\$1,000	\$0.00	\$0.00	\$0.00	\$31.23	\$0.00
\$1,000	\$1,083	\$0.31	\$0.00	\$0.00	\$35.41	\$0.00
\$1,083	\$1,166	\$0.93	\$0.00	\$0.00	\$39.56	\$0.00
\$1,166	\$1,250	\$1.56	\$0.00	\$0.00	\$43.73	\$0.00
\$1,250	\$1,291	\$2.43	\$0.00	\$0.00	\$46.86	\$0.15
\$1,291	\$1,333	\$3.28	\$0.00	\$0.00	\$48.93	\$0.47
\$1,333	\$1,375	\$4.25	\$0.00	\$0.00	\$51.03	\$0.78
\$1,375	\$1,416	\$5.34	\$0.00	\$0.00	\$53.11	\$1.09
\$1,416	\$1,458	\$6.56	\$0.00	\$0.00	\$55.18	\$1.40
\$1,458	\$1,500	\$7.90	\$0.00	\$0.00	\$57.28	\$1.72
\$1,500	\$1,541	\$9.37	\$0.00	\$0.00	\$59.36	\$2.03
\$1,541	\$1,583	\$10.96	\$0.00	\$0.00	\$61.43	\$2.34
\$1,583	\$1,625	\$11.78	\$0.16	\$0.00	\$63.53	\$3.19
\$1,625	\$1,666	\$12.59	\$0.47	\$0.00	\$65.61	\$4.15
\$1,666	\$1,708	\$14.43	\$0.78	\$0.00	\$67.68	\$5.24
\$1,708	\$1,750	\$16.40	\$1.09	\$0.00	\$69.78	\$6.47
\$1,750	\$1,791	\$18.49	\$1.40	\$0.00	\$71.86	\$7.81
\$1,791	\$1,833	\$20.71	\$1.72	\$0.00	\$73.93	\$9.27
\$1,833	\$1,875	\$22.13	\$2.03	\$0.00	\$76.03	\$10.87
\$1,875	\$1,916	\$23.89	\$2.34	\$0.00	\$78.11	\$12.59
\$1,916	\$1,958	\$25.66	\$2.65	\$0.00	\$80.18	\$13.40
\$1,958	\$2,000	\$27.44	\$2.97	\$0.00	\$82.28	\$14.22
\$2,000	\$2,041	\$32.75	\$3.93	\$0.15	\$84.36	\$15.02
\$2,041	\$2,083	\$34.51	\$5.03	\$0.47	\$86.43	\$15.83
\$2,083	\$2,125	\$40.31	\$6.25	\$0.78	\$88.53	\$18.22
\$2,125	\$2,166	\$42.58	\$7.59	\$1.09	\$90.61	\$21.08
\$2,166	\$2,208	\$48.56	\$9.06	\$1.40	\$92.68	\$24.15
\$2,208	\$2,250	\$50.98	\$10.65	\$1.72	\$94.78	\$27.44
\$2,250	\$2,291	\$57.17	\$12.37	\$2.03	\$96.86	\$29.20
\$2,291	\$2,333	\$59.04	\$14.21	\$2.34	\$98.93	\$30.97
\$2,333	\$2,375	\$64.68	\$15.03	\$2.66	\$101.03	\$32.75
\$2,375	\$2,416	\$66.55	\$15.84	\$2.97	\$103.11	\$34.52
\$2,416	\$2,458	\$72.17	\$16.65	\$3.28	\$105.18	\$36.28
\$2,458	\$2,500	\$74.06	\$17.47	\$3.59	\$107.28	\$38.07
\$2,500	\$2,541	\$79.67	\$18.27	\$4.68	\$109.36	\$43.37
\$2,541	\$2,583	\$81.54	\$19.08	\$5.90	\$111.43	\$45.14
\$2,583	\$2,625	\$87.18	\$19.90	\$7.25	\$113.53	\$50.46
\$2,625	\$2,666	\$89.05	\$20.71	\$8.71	\$115.61	\$52.84
\$2,666	\$2,708	\$94.67	\$21.52	\$10.31	\$117.68	\$58.88
\$2,708	\$2,750	\$96.56	\$22.34	\$12.03	\$119.78	\$61.41
\$2,750	\$2,791	\$102.17	\$23.15	\$13.87	\$121.86	\$67.66
\$2,791	\$2,833	\$104.04	\$23.96	\$15.83	\$123.93	\$70.29
\$2,833	\$2,875	\$109.68	\$26.68	\$16.65	\$126.03	\$75.93
\$2,875	\$2,916	\$111.55	\$29.52	\$17.46	\$128.11	\$77.80
\$2,916	\$2,958	\$117.17	\$32.81	\$18.27	\$130.18	\$83.42
\$2,958	\$3,000	\$119.06	\$36.65	\$19.09	\$132.28	\$85.31
\$3,000	\$3,041	\$120.92	\$38.41	\$19.90	\$134.36	\$90.92
\$3,041	\$3,083	\$122.79	\$40.18	\$20.71	\$136.43	\$92.79
\$3,083	\$3,125	\$124.68	\$41.96	\$21.53	\$138.53	\$98.43
\$3,125	\$3,166	\$126.55	\$43.73	\$22.34	\$140.61	\$100.30
\$3,166	\$3,208	\$128.42	\$49.03	\$23.15	\$142.68	\$105.92
\$3,208	\$3,250	\$130.31	\$50.82	\$23.97	\$144.78	\$107.81
\$3,250	\$3,291	\$132.17	\$56.12	\$24.77	\$146.86	\$113.42
\$3,291	\$3,333	\$134.04	\$57.89	\$25.58	\$148.93	\$115.29
\$3,333	\$3,375	\$135.93	\$63.21	\$28.43	\$151.03	\$120.93
\$3,375	\$3,416	\$137.80	\$64.98	\$31.40	\$153.11	\$122.80
\$3,416	\$3,458	\$139.67	\$70.28	\$34.49	\$155.18	\$128.42
\$3,458	\$3,500	\$141.56	\$72.07	\$37.71	\$157.28	\$130.31
\$3,500	\$3,541	\$143.42	\$77.37	\$38.77	\$159.36	\$135.92

Monthly Wages		Withholding Amount				
Greater Than	Less Than Or Equal To	A	B	C	D	F
\$3,541	\$3,583	\$145.29	\$79.14	\$39.83	\$161.43	\$137.79
\$3,583	\$3,625	\$147.18	\$84.46	\$40.90	\$163.53	\$143.43
\$3,625	\$3,666	\$149.05	\$86.23	\$41.96	\$165.61	\$145.30
\$3,666	\$3,708	\$150.92	\$92.61	\$43.36	\$167.68	\$150.92
\$3,708	\$3,750	\$152.81	\$95.51	\$45.15	\$169.78	\$152.81
\$3,750	\$3,791	\$154.67	\$102.10	\$46.91	\$171.86	\$154.67
\$3,791	\$3,833	\$156.54	\$105.11	\$48.68	\$173.93	\$156.54
\$3,833	\$3,875	\$158.43	\$111.93	\$50.46	\$176.03	\$158.43
\$3,875	\$3,916	\$160.30	\$113.80	\$52.23	\$178.11	\$160.30
\$3,916	\$3,958	\$162.17	\$119.42	\$53.99	\$180.18	\$162.17
\$3,958	\$4,000	\$164.06	\$121.31	\$55.77	\$182.28	\$164.06
\$4,000	\$4,041	\$167.77	\$126.92	\$61.08	\$184.36	\$165.92
\$4,041	\$4,083	\$171.52	\$128.79	\$62.84	\$186.43	\$167.79
\$4,083	\$4,125	\$175.34	\$134.43	\$68.17	\$188.53	\$169.68
\$4,125	\$4,166	\$179.17	\$136.30	\$69.93	\$190.61	\$171.55
\$4,166	\$4,208	\$183.15	\$141.92	\$76.12	\$192.79	\$173.51
\$4,208	\$4,250	\$188.89	\$143.81	\$78.84	\$196.76	\$175.59
\$4,250	\$4,291	\$193.07	\$149.42	\$85.24	\$199.04	\$177.64
\$4,291	\$4,333	\$197.30	\$151.29	\$88.05	\$201.33	\$179.69
\$4,333	\$4,375	\$201.60	\$156.93	\$94.68	\$203.64	\$181.77
\$4,375	\$4,416	\$205.92	\$158.80	\$96.55	\$205.92	\$183.83
\$4,416	\$4,500	\$211.02	\$165.36	\$103.11	\$211.02	\$186.92
\$4,500	\$4,583	\$215.62	\$172.87	\$110.62	\$215.62	\$191.05
\$4,583	\$4,666	\$221.85	\$180.35	\$118.10	\$221.85	\$195.16
\$4,666	\$4,750	\$226.44	\$187.86	\$125.61	\$226.44	\$199.30
\$4,750	\$4,833	\$231.03	\$191.62	\$133.12	\$231.03	\$204.93
\$4,833	\$4,916	\$237.26	\$195.35	\$140.60	\$237.26	\$209.04
\$4,916	\$5,000	\$241.86	\$199.11	\$148.11	\$241.86	\$213.17
\$5,000	\$5,083	\$248.12	\$202.87	\$155.62	\$248.12	\$219.72
\$5,083	\$5,166	\$252.68	\$206.60	\$163.10	\$252.68	\$228.79
\$5,166	\$5,250	\$257.27	\$210.36	\$170.61	\$257.27	\$239.66
\$5,250	\$5,333	\$263.53	\$214.12	\$178.12	\$263.53	\$249.16
\$5,333	\$5,416	\$268.10	\$217.85	\$185.60	\$268.10	\$258.82
\$5,416	\$5,500	\$274.36	\$221.61	\$193.11	\$274.36	\$266.02
\$5,500	\$5,583	\$278.95	\$225.37	\$200.62	\$278.95	\$270.62
\$5,583	\$5,666	\$283.51	\$229.10	\$208.10	\$283.51	\$276.85
\$5,666	\$5,750	\$289.77	\$232.86	\$215.61	\$289.77	\$281.44
\$5,750	\$5,833	\$294.37	\$236.62	\$223.12	\$294.37	\$286.03
\$5,833	\$5,916	\$300.60	\$240.35	\$230.60	\$300.60	\$290.60
\$5,916	\$6,000	\$305.19	\$244.11	\$238.11	\$305.19	\$295.19
\$6,000	\$6,083	\$309.78	\$247.87	\$241.87	\$309.78	\$301.45
\$6,083	\$6,166	\$316.01	\$251.60	\$245.60	\$316.01	\$306.01
\$6,166	\$6,250	\$320.61	\$258.20	\$249.36	\$320.61	\$310.61
\$6,250	\$6,333	\$325.20	\$267.75	\$253.12	\$325.20	\$315.20
\$6,333	\$6,416	\$329.76	\$277.46	\$256.85	\$329.76	\$319.76
\$6,416	\$6,500	\$334.36	\$287.35	\$260.61	\$334.36	\$326.02
\$6,500	\$6,583	\$338.95	\$297.40	\$264.37	\$338.95	\$330.62
\$6,583	\$6,666	\$343.51	\$307.23	\$268.10	\$343.51	\$335.18
\$6,666	\$6,750	\$348.11	\$311.61	\$271.86	\$348.11	\$339.77
\$6,750	\$6,833	\$352.70	\$316.20	\$275.62	\$352.70	\$344.37
\$6,833	\$6,916	\$357.26	\$320.76	\$279.35	\$357.26	\$350.60
\$6,916	\$7,000	\$361.86	\$328.02	\$283.11	\$361.86	\$355.19
\$7,000	\$7,083	\$366.45	\$332.62	\$286.87	\$366.45	\$359.78
\$7,083	\$7,166	\$371.01	\$337.18	\$290.60	\$371.01	\$364.35
\$7,166	\$7,250	\$375.61	\$341.77	\$294.36	\$375.61	\$368.94
\$7,250	\$7,333	\$380.20	\$349.03	\$298.12	\$380.20	\$375.20
\$7,333	\$7,416	\$384.76	\$353.60	\$301.85	\$384.76	\$379.76
\$7,416	\$7,500	\$389.36	\$358.19	\$305.61	\$389.36	\$384.36
\$7,500	\$7,583	\$393.95	\$362.78	\$309.37	\$393.95	\$388.95
\$7,583	\$7,666	\$398.51	\$370.01	\$313.10	\$398.51	\$393.51
\$7,666	\$7,750	\$403.11	\$374.61	\$316.86	\$403.11	\$399.77
\$7,750	\$7,833	\$407.70	\$379.20	\$320.62	\$407.70	\$404.37
\$7,833	\$7,916	\$412.26	\$383.76	\$324.35	\$412.26	\$408.93
\$7,916	\$8,000	\$416.86	\$391.02	\$328.11	\$416.86	\$413.52
\$8,000	\$8,083	\$421.45	\$395.62	\$335.55	\$421.45	\$418.12
\$8,083	\$8,166	\$426.01	\$400.18	\$346.79	\$426.01	\$424.35
\$8,166	\$8,250	\$430.61	\$404.77	\$358.21	\$430.61	\$428.94
\$8,250	\$8,333	\$435.20	\$412.03	\$369.80	\$435.20	\$433.53
\$8,333	\$8,375	\$438.74	\$415.47	\$380.63	\$438.74	\$437.07
\$8,375	Over					