

Withholding Certificate for Pension or Annuity Payments



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

Mail the original form to **CT Teachers' Retirement Board, 165 CAPITOL AVE HARTFORD, CT 06106-1673**
 or fax it to **860-525-6018**. Please read instructions carefully. Keep a copy for your records.

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

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

I hereby certify that I am no longer a Connecticut resident. Please cancel my CT withholding.

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

Payee's signature	Date
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Payee Instructions

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

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

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

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

Form CT-W4P Payee General Instructions

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

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

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

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

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

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

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

Check Your Withholding

You may be underwithheld if any of the following apply:

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

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

Certain Married Individuals

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

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

Payer Instructions

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

For More Information & Forms and Publications:

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

Supplemental Table
Married Couples Filing Jointly – Effective January 1, 2018

For married couples who both select Withholding Code "A" on Form CT-W4P (combined income is \$100,500 or less).

Instructions

- Reading across the top of the table, select the approximate annual pension or annuity income of one spouse. Reading down the left column, select the approximate annual pension or annuity income of the other spouse.
- At the intersection of the two numbers is an adjustment amount. This is a yearly adjustment amount.
- To calculate the adjustment for each payment, complete the following worksheet.
 - A. Adjustment amount 3A _____
 - B. Payments in a year: See Payment Frequency Table. 3B _____
 - C. Payments adjustment: Divide Line 3A by Line 3B. 3C _____
- If the adjustment is positive, enter the adjustment amount from Line 3C on Form CT-W4P, Line 2, of one spouse. If the adjustment is negative, enter the adjustment amount in brackets from Line 3C on Form CT-W4P, Line 3, of one spouse.

Payment Frequency Table

If you are paid:	Payments in a year:
Monthly	12
Quarterly	4
Semi-annual	2

Annual Payment	2,000	4,000	6,000	8,000	10,000	12,000	14,000	16,000	18,000	20,000	22,000	24,000	26,000
3,000	0	0	0	0	0	0	(15)	(42)	(99)	(156)	(248)	(318)	(485)
6,000	0	0	0	0	0	0	(15)	(42)	(99)	(141)	(225)	(295)	(414)
9,000	0	0	0	0	0	0	(15)	(35)	(77)	(119)	(182)	(192)	(308)
12,000	0	0	0	0	0	0	0	(12)	(54)	(48)	(60)	(106)	(249)
15,000	(23)	(23)	(23)	(23)	(15)	0	0	9	27	36	(24)	(70)	(162)
18,000	(99)	(99)	(99)	(84)	(69)	(54)	(6)	54	36	18	(42)	20	(111)
21,000	(203)	(195)	(180)	(165)	(129)	(54)	(3)	9	(9)	24	27	10	(87)
24,000	(325)	(310)	(295)	(232)	(145)	(106)	(82)	(70)	20	14	0	0	(12)
27,000	(586)	(550)	(475)	(409)	(370)	(331)	(256)	(181)	(170)	(142)	(113)	(6)	25
30,000	(792)	(705)	(666)	(627)	(588)	(441)	(405)	(347)	(319)	(206)	(87)	20	18
33,000	(956)	(917)	(878)	(788)	(686)	(618)	(548)	(447)	(312)	(156)	(75)	20	18
36,000	(1167)	(1128)	(981)	(930)	(845)	(760)	(605)	(414)	(279)	(156)	(75)	20	18
39,000	(1193)	(1091)	(1023)	(938)	(810)	(618)	(420)	(267)	(144)	(21)	60	155	153
42,000	(1200)	(1115)	(1030)	(860)	(642)	(450)	(285)	(132)	(9)	114	195	290	288
45,000	(1208)	(1080)	(888)	(675)	(495)	(315)	(150)	3	126	249	330	425	423
48,000	(1130)	(912)	(720)	(540)	(360)	(180)	(15)	138	261	384	465	560	468
51,000	(1110)	(930)	(750)	(570)	(390)	(210)	(45)	108	231	354	390	395	303
54,000	(1120)	(940)	(760)	(580)	(400)	(220)	(55)	98	221	254	245	250	158
57,000	(1035)	(855)	(675)	(495)	(315)	(135)	30	138	171	204	195	200	108
60,000	(950)	(770)	(590)	(410)	(230)	(50)	25	88	121	154	145	150	58
63,000	(885)	(705)	(525)	(345)	(210)	(120)	(45)	18	51	84	75	80	(12)
66,000	(800)	(620)	(440)	(350)	(260)	(170)	(95)	(32)	1	34	25	30	(62)
69,000	(715)	(580)	(490)	(400)	(310)	(220)	(145)	(82)	(49)	(16)	(25)	(20)	(112)
72,000	(720)	(630)	(540)	(450)	(360)	(270)	(195)	(132)	(99)	(66)	(75)	(70)	18
75,000	(770)	(680)	(590)	(500)	(410)	(320)	(245)	(182)	(149)	(116)	(36)	153	298
78,000	(800)	(710)	(620)	(530)	(440)	(350)	(275)	(212)	(179)	34	213	370	
81,000	(830)	(740)	(650)	(560)	(470)	(380)	(305)	(153)	64	334			
84,000	(860)	(770)	(680)	(590)	(500)	(410)	(155)	96	281				
87,000	(890)	(800)	(710)	(620)	(441)	(167)	145						
90,000	(920)	(830)	(740)	(470)	(192)	50							
93,000	(950)	(771)	(497)	(170)									
96,000	(800)	(552)	(280)										
99,000	(500)												

Annual Payment	28,000	30,000	32,000	34,000	36,000	38,000	40,000	42,000	44,000	46,000	48,000	50,000	52,000
3,000	(647)	(752)	(866)	(1007)	(1148)	(1148)	(1136)	(1158)	(1163)	(1125)	(1023)	(992)	(1031)
6,000	(525)	(666)	(807)	(948)	(981)	(1020)	(1025)	(1030)	(950)	(822)	(720)	(722)	(761)
9,000	(467)	(608)	(698)	(776)	(888)	(893)	(855)	(753)	(630)	(540)	(450)	(452)	(491)
12,000	(408)	(441)	(570)	(665)	(760)	(680)	(552)	(450)	(360)	(270)	(180)	(182)	(221)
15,000	(258)	(370)	(465)	(518)	(506)	(383)	(293)	(203)	(113)	(23)	68	66	26
18,000	(224)	(319)	(329)	(291)	(279)	(189)	(99)	(9)	81	171	261	259	220
21,000	(158)	(146)	(113)	(113)	(113)	(23)	68	158	248	338	428	426	341
24,000	8	20	20	20	20	110	200	290	380	470	560	468	339
27,000	7	7	7	7	7	97	187	277	367	412	412	320	191
30,000	0	0	0	0	0	90	180	270	270	270	270	178	49
33,000	0	0	0	0	0	90	135	135	135	135	135	43	(86)
36,000	0	0	0	0	0	0	0	0	0	0	0	(92)	(221)
39,000	135	135	135	90	0	0	0	0	0	0	0	(92)	(221)
42,000	270	270	180	90	0	0	0	0	0	0	0	(92)	(221)
45,000	360	270	180	90	0	0	0	0	0	0	0	(92)	(132)
48,000	360	270	180	90	0	0	0	0	0	0	0	88	147
51,000	195	105	15	(75)	(165)	(165)	(165)	(165)	(165)	(76)	108	253	
54,000	50	(40)	(130)	(220)	(310)	(310)	(310)	(310)	(130)	58	210		
57,000	0	(90)	(180)	(270)	(360)	(360)	(271)	(87)	150				
60,000	(50)	(140)	(230)	(320)	(410)	(230)	(42)	110					
63,000	(120)	(210)	(300)	(301)	(207)	30							
66,000	(170)	(260)	(170)	(72)	(10)								
69,000	(131)	(37)	110										
72,000	98	160											