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## TAX SERVICES

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# FORMS W-4P AND W-4R WITHHOLDING ON PENSION & ANNUITY PAYMENTS

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JANUARY 2024

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**FORM W-4P**  
**WITHHOLDING ON PERIODIC PENSION AND ANNUITY PAYMENTS**

***General***

In general, payments made from pension, profit sharing, stock bonus, annuity, certain qualified deferred compensation plans, individual retirement arrangements (IRAs) and commercial annuities, are subject to withholding. However, qualified distributions from a Roth IRA are non-taxable and therefore, not subject to withholding. The type of payment determines the withholding method and amount.

***Computational Bridge***

If a payee has not submitted a 2022 or later Form W-4P, payers may treat 2021 and earlier Forms W-4P as if they were 2022 or later Forms W-4P for purposes of figuring federal income tax withholding. This computational bridge can reduce system complexity by allowing payers to permanently use computational procedures and data fields for a 2022 and later Form W-4P to arrive at the equivalent withholding for a recipient that would have applied using the computational procedures and data fields on a 2021 or earlier Form W-4P. You must make up to four adjustments to use this computational bridge, but it will simplify data storage. See 2024 Publication 15-T for additional information.

***Periodic Payments***

Periodic payments are payments received in installments, at regular intervals, over a period of more than one year from the pension or annuity starting date. These payments are subject to income tax withholding using the normal payroll withholding tables. The 2021 default withholding was calculated as if the recipient was Married and claiming three withholding allowances, unless a Form W-4P was completed and the number of withholding allowances was designated on the form. Effective January 1, 2023, if a recipient does not provide a Form W-4P, the new default withholding is a status of Single and claiming zero allowances. Recipients already receiving payments do not need to submit a 2022 or later Form W-4P if they do not want to make withholding changes and those recipients who are currently on default withholding of Married with three dependents will not need to be changed to the new default withholding.

***Form W-4P***

Recipients should be given Form W-4P when the first payment is made, and at least once each calendar year thereafter. The new withholding approach now considers multiple sources of withholding. Recipients provide payers with amounts to increase or decrease the amount of taxes withheld and amounts to increase or decrease the amount of pension/annuity payments subject to income tax withholding. Form W-4P contains 5 steps. Every Form W-4P received from a recipient in 2022 or later should show a completed Step 1 (name, address, social security number, and filing status), and a dated signature in Step 5. Steps 2, 3 and/or 4 are only completed if relevant as these steps show adjustments that affect withholding calculations. Below are the adjustments for each of those steps:

**Step 2:** If the recipient completes this line, the payer will use the amount in Step 2(b)(iii) from a 2022 or later Form W-4P in Worksheet 1B in the 2024 Publication 15-T to figure income tax withholding.

**Step 3:** Payers use the amount on this line as an annual reduction in the amount of withholding. Payers should use the total amount the recipient entered in Step 3 even if it is not equal to the sum of the detailed line items. This is because the total may take into account other tax credits. If there are amounts entered in the detail lines, but the total is left blank, the payer may ask the recipient if leaving the total line blank was intentional.

**Steps 4(a) and 4(b):** Payers increase the annual amount of pension/annuity payments subject to income tax withholding by the **annual** amount shown in Step 4(a) and reduce the annual amount of pension/annuity payments subject to income tax withholding by the **annual** amount shown in Step 4(b).

**Step 4(c):** Payers will increase withholding on **each payment** by the tax amount in Step 4(c). A recipient can choose not to have income tax withheld by writing “No Withholding” in the space below Step 4(c).

### ***Recipient fails to furnish Form W-4P or provides incorrect SSN***

In the case of a payer using a 2022 or later Form W-4P, a recipient who received the first periodic pension or annuity payment after 2021 but who fails to furnish a 2022 or later Form W-4P or fails to provide a correct SSN on a 2022 or later Form W-4P will be treated as if they had checked the box for Single in Step 1 and had no entries in Step 2, Step 3, and Step 4 of a 2022 or later Form W-4P.

In the case of a payer that used the 2021 Form W-4P for 2022 and hasn't received a 2022 or later Form W-4P, a recipient who received the first periodic pension or annuity payment in 2022 but who fails to furnish such a 2021 Form W-4P will continue to be treated as if they had no entries on lines 1 and 3 and completed line 2 indicating a status of Married, and claiming 3 allowances.

In the case of a payer that used the 2021 Form W-4P and hasn't received a 2022 or later Form W-4P, a recipient who received the first periodic pension or annuity payment in 2022 but who failed to provide a correct SSN on the 2021 Form W-4P will continue to be treated as if they had no entries on lines 1 and 3 and had completed line 2 indicating a status of Single, and claiming zero allowances. If a recipient received their first periodic pension or annuity payment before 2022 and had failed to furnish a Form W-4P when those payments began, you must continue to withhold on those periodic payments as if the recipient were Married claiming three withholding allowances on a Form W-4P for 2021 or earlier, unless the recipient furnishes a Form W-4P requesting a change in withholding. If a recipient is treated as Married claiming three withholding allowances on a 2021 or earlier Form W-4P, tax will be withheld on a payment that is at least \$2,440 per month.

**FORM W-4R**  
**WITHHOLDING ON NONPERIODIC PENSION AND**  
**ELIGIBLE ROLLOVER DISTRIBUTIONS**

***Nonperiodic Payments***

Nonperiodic payments are subject to a mandatory default withholding rate of 10%, if not eligible for rollover. The payer must withhold a flat 10% rate unless the recipient chooses a different rate or not to have income tax withheld by submitting a 2022 or later Form W-4R. Distributions eligible for rollover from an employer retirement plan, annuity, or individual retirement arrangement (IRA) are subject to a default withholding rate of 20% unless the distribution is paid directly to either another qualified plan or IRA. The recipient cannot choose withholding at a rate of less than 20% (including “0”) but may choose a higher rate by completing Form W-4R. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Qualifying “hardship” distributions, and distributions required by federal law, such as required minimum distributions, are not eligible rollover distributions. If the distribution is eligible for rollover, the recipient must be given a written explanation of the rollover provisions, capital gain and 10 year averaging provisions if applicable, and the mandatory 20% withholding rules at least 30 days, but not more than 90 days, before the distribution is made.

***Form W-4R***

Recipients should be given Form W-4R before a nonperiodic payment or eligible rollover distribution is made. The default withholding rate is determined by the type of payment as explained on the form. For nonperiodic payments only, a recipient may enter a rate between 0% and 100% on line 2 if they want a different rate other than the 10% default rate withheld from their payment. For nonperiodic payments delivered outside the United States and its possessions, recipients are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “0”). The withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA unless a new Form W-4R is submitted to change the election. If Form W-4R is submitted with an incorrect social security number, the payer cannot honor a request to have a lower or no amount withheld and must withhold 10% of the payment for federal income tax. The 2024 Marginal Rate Tables included in the form’s instructions may be used to select the appropriate withholding rate based on the recipient’s income from all sources and filing status.

**INTERNATIONAL PAYMENTS AND RESIDENTS**

Whether periodic or nonperiodic, the election for no withholding of income tax does not apply to any distributions made to a U.S. citizen or a resident alien that are to be delivered outside of the United States or its possessions.

Nonresident aliens and foreign estates cannot elect to have no tax withheld. The withholding rules will depend on the country that the pensioner resides in and the applicable tax treaty. Absent a tax treaty exemption, non-resident aliens, non-resident alien beneficiaries and foreign estates generally are 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 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. For additional information see Publication 515 and Publication 519. A foreign person should submit Form W-8BEN Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, to the Payer before receiving any payments. The Form W-8BEN must contain the foreign person's Taxpayer Identification Number (TIN). The payer must furnish a statement on Form 1042-S by March 15th of the following year.

|  |   |   |
|--|---|---|
| Form <b>W-4P</b><br>Department of the Treasury<br>Internal Revenue Service | <b>Withholding Certificate<br/>                 for Periodic Pension or Annuity Payments</b><br>Give Form W-4P to the payer of your pension or annuity payments.  | OMB No. 1545-0074<br><div style="font-size: 2em; font-weight: bold;">2024</div> |
| <b>Step 1:<br/>Enter Personal Information</b>                              | (a) First name and middle initial _____ Last name _____<br>Address _____<br>City or town, state, and ZIP code _____   | (b) Social security number _____  |
|  | (c) <input type="checkbox"/> Single or Married filing separately<br><input type="checkbox"/> Married filing jointly or Qualifying surviving spouse<br><input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.) |   |

**Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5.** See pages 2 and 3 for more information on each step, when to use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App), and how to elect to have no federal income tax withheld (if permitted).

**Step 2: Income From a Job and/or Multiple Pensions/Annuities (Including a Spouse's Job/Pension/Annuity)**

Complete this step if you (1) have income from a job or more than one pension/annuity, or (2) are married filing jointly and your spouse receives income from a job or a pension/annuity. **See page 2 for examples on how to complete Step 2.**

Do **only one** of the following.

(a) Use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) for most accurate withholding for this step (and Steps 3-4). If you or your spouse have self-employment income, use this option; **or**

(b) Complete the items below.

(i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter "-0-". . . . \$ \_\_\_\_\_

(ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter "-0-". . . . \$ \_\_\_\_\_

(iii) Add the amounts from items (i) and (ii) and enter the **total** here . . . . \$ \_\_\_\_\_

**TIP:** To be accurate, submit a new Form W-4P for all other pensions/annuities if you haven't updated your withholding since 2021 or this is a new pension/annuity that pays less than the other(s). Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019.

**Complete Steps 3-4(b)** on this form only if (b)(i) is blank **and** this pension/annuity pays the most annually. Otherwise, do not complete Steps 3-4(b) on this form.

|  |  |  |
|--|--|--|
| <b>Step 3: Claim Dependent and Other Credits</b> | If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):<br>Multiply the number of qualifying children under age 17 by \$2,000 . . . . \$ _____<br>Multiply the number of other dependents by \$500 . . . . \$ _____<br>Add other credits, such as foreign tax credit and education tax credits . . . . \$ _____<br>Add the amounts for qualifying children, other dependents, and other credits and enter the total here . . . . <b>3</b> \$ _____   |  |
| <b>Step 4 (optional): Other Adjustments</b>      | (a) <b>Other income (not from jobs or pension/annuity payments).</b> If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends . . . <b>4(a)</b> \$ _____<br>(b) <b>Deductions.</b> If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . . . <b>4(b)</b> \$ _____<br>(c) <b>Extra withholding.</b> Enter any additional tax you want withheld from <b>each</b> payment . . . <b>4(c)</b> \$ _____ |  |

**Step 5: Sign Here**

Your signature (This form is not valid unless you sign it.) \_\_\_\_\_ Date \_\_\_\_\_

## General Instructions

Section references are to the Internal Revenue Code.

**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](http://www.irs.gov/FormW4P).

**Purpose of form.** Complete Form W-4P to have payers withhold the correct amount of federal income tax from your periodic pension, annuity (including commercial annuities), profit-sharing and stock bonus plan, or IRA payments. Federal income tax withholding applies to the taxable part of these payments. Periodic payments are made in installments at regular intervals (for example, annually, quarterly, or monthly) over a period of more than 1 year. Don't use Form W-4P for a nonperiodic payment (note that distributions from an IRA that are payable on demand are treated as nonperiodic payments) or an eligible rollover distribution (including a lump-sum pension payment). Instead, use Form W-4R, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions, for these payments/distributions. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

**Choosing not to have income tax withheld.** You can choose not to have federal income tax withheld from your payments by writing "No Withholding" on Form W-4P in the space below Step 4(c). Then, complete Steps 1a, 1b, and 5. Generally, if you are a U.S. citizen or a resident alien, you are not permitted to elect not to have federal income tax withheld on payments to be delivered outside the United States and its territories.

**Caution:** 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. If your tax situation changes, or you chose not to have federal income tax withheld and you now want withholding, you should submit a new Form W-4P.

**When to use the estimator.** Consider using the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) if you:

1. Have social security, dividend, capital gain, or business income, or are subject to the Additional Medicare Tax or Net Investment Income Tax; or
2. Receive these payments or pension and annuity payments for only part of the year.

**Self-employment.** Generally, you will owe both income and self-employment taxes on any self-employment income you (or you and your spouse) receive. If you do not have a job and want to pay these taxes through withholding from your payments, use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to figure the amount to have withheld.

**Payments to nonresident aliens and foreign estates.** Do not use Form W-4P. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

**Tax relief for victims of terrorist attacks.** If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, write "No Withholding" in the space below Step 4(c). See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

## Specific Instructions

**Step 1(c).** Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

**Step 2.** Use this step if you have at least one of the following: income from a job, income from more than one pension/annuity, and/or a spouse (if married filing jointly) that receives income from a job/pension/annuity. The following examples will assist you in completing Step 2(b).

**Example 1.** Bob, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Bob also has a job that pays \$25,000 a year. Bob has no other pensions or annuities. Bob will enter \$25,000 in Step 2(b)(i) and in Step 2(b)(iii).

If Bob also has \$1,000 of interest income, which he entered on Form W-4, Step 4(a), then he will instead enter \$26,000 in Step 2(b)(i) and in Step 2(b)(iii). He will make no entries in Step 4(a) on this Form W-4P.

**Example 2.** Carol, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Carol does not have a job, but she also receives another pension for \$25,000 a year (which pays less annually than the \$50,000 pension). Carol will enter \$25,000 in Step 2(b)(ii) and in Step 2(b)(iii).

If Carol also has \$1,000 of interest income, then she will enter \$1,000 in Step 4(a) of this Form W-4P.

**Example 3.** Don, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Don does not have a job, but he receives another pension for \$75,000 a year (which pays more annually than the \$50,000 pension). Don will not enter any amounts in Step 2.

If Don also has \$1,000 of interest income, he won't enter that amount on this Form W-4P because he entered the \$1,000 on the Form W-4P for the higher paying \$75,000 pension.

**Example 4.** Ann, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Ann also has a job that pays \$25,000 a year and another pension that pays \$20,000 a year. Ann will enter \$25,000 in Step 2(b)(i), \$20,000 in Step 2(b)(ii), and \$45,000 in Step 2(b)(iii).

If Ann also has \$1,000 of interest income, which she entered on Form W-4, Step 4(a), she will instead enter \$26,000 in Step 2(b)(i), leave Step 2(b)(ii) unchanged, and enter \$46,000 in Step 2(b)(iii). She will make no entries in Step 4(a) of this Form W-4P.

If you are married filing jointly, the entries described above do not change if your spouse is the one who has the job or the other pension/annuity instead of you.



**Multiple sources of pensions/annuities or jobs.** If you (or if married filing jointly, you and/or your spouse) have a job(s), do NOT complete Steps 3 through 4(b) on Form W-4P. Instead, complete Steps 3 through 4(b) on the Form W-4 for the job. If you (or if married filing jointly, you and your spouse) do not have a job, complete Steps 3 through 4(b) on Form W-4P for **only** the pension/annuity that pays the most annually. Leave those steps blank for the other pensions/annuities.

**Step 3.** This step provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, 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 social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 501, Dependents, Standard Deduction, and Filing Information. You can also include **other tax credits** for which you are eligible in this step, such as the foreign tax credit and the education tax credits. Including these credits will increase your payments and reduce the amount of any refund you may receive when you file your tax return.

**Step 4 (optional).**

**Step 4(a).** Enter in this step the total of your other estimated income for the year, if any. You shouldn't include amounts from any job(s) or pension/annuity payments. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than

**Specific Instructions (continued)**

having tax on other income withheld from your pension, see Form 1040-ES, Estimated Tax for Individuals.

**Step 4(b).** Enter in this step the amount from the Deductions Worksheet, line 6, if you expect to claim deductions other than the basic standard deduction on your 2024 tax return and want to reduce your withholding to account for these deductions.

This includes itemized deductions, the additional standard deduction for those 65 and over, and other deductions such as for student loan interest and IRAs.

**Step 4(c).** Enter in this step any additional tax you want withheld from **each payment**. Entering an amount here will reduce your payments and will either increase your refund or reduce any amount of tax that you owe.

**Note:** If you don't give Form W-4P to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer will withhold tax from your payments as if your filing status is single with no adjustments in Steps 2 through 4. For payments that began before 2024, your current withholding election (or your default rate) remains in effect unless you submit a new Form W-4P.

**Step 4(b)—Deductions Worksheet (Keep for your records.)**



|          |   |                   |  |   |                   |
|----------|---|-------------------|--|---|-------------------|
| <b>1</b> | Enter an estimate of your 2024 itemized deductions (from Schedule A (Form 1040)). Such deductions may 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 . . . . .  | <b>1</b> \$ _____ |  |   |                   |
| <b>2</b> | Enter: <table border="0" style="display: inline-table; vertical-align: middle;"> <tr> <td style="font-size: 3em; vertical-align: middle;">{</td> <td style="padding: 0 10px;"> <ul style="list-style-type: none"> <li>• \$29,200 if you're married filing jointly or a qualifying surviving spouse</li> <li>• \$21,900 if you're head of household</li> <li>• \$14,600 if you're single or married filing separately</li> </ul> </td> <td style="font-size: 3em; vertical-align: middle;">}</td> </tr> </table> . . . . .   | {                 | <ul style="list-style-type: none"> <li>• \$29,200 if you're married filing jointly or a qualifying surviving spouse</li> <li>• \$21,900 if you're head of household</li> <li>• \$14,600 if you're single or married filing separately</li> </ul> | } | <b>2</b> \$ _____ |
| {        | <ul style="list-style-type: none"> <li>• \$29,200 if you're married filing jointly or a qualifying surviving spouse</li> <li>• \$21,900 if you're head of household</li> <li>• \$14,600 if you're single or married filing separately</li> </ul>  | }                 |  |   |                   |
| <b>3</b> | If line 1 is greater than line 2, subtract line 2 from line 1 and enter the result here. If line 2 is greater than line 1, enter "-0-" . . . . .  | <b>3</b> \$ _____ |  |   |                   |
| <b>4</b> | If line 3 equals zero, and you (or your spouse) are 65 or older, enter: <ul style="list-style-type: none"> <li>• \$1,950 if you're single or head of household.</li> <li>• \$1,550 if you're married filing separately.</li> <li>• \$1,550 if you're a qualifying surviving spouse or you're married filing jointly and one of you is under age 65.</li> <li>• \$3,100 if you're married filing jointly and both of you are age 65 or older.</li> </ul> Otherwise, enter "-0-". See Pub. 505 for more information . . . . . | <b>4</b> \$ _____ |  |   |                   |
| <b>5</b> | Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments (from Part II of Schedule 1 (Form 1040)). See Pub. 505 for more information . . . . .  | <b>5</b> \$ _____ |  |   |                   |
| <b>6</b> | <b>Add</b> lines 3 through 5. Enter the result here and in <b>Step 4(b)</b> on Form W-4P . . . . .  | <b>6</b> \$ _____ |  |   |                   |

**Privacy Act and Paperwork Reduction Act Notice.** 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 pension or annuity payments based on your filing status and adjustments; (b) request additional federal income tax withholding from your pension or annuity payments; (c) choose not to have federal income tax withheld, when permitted; or (d) change 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). Failure to provide a properly completed form will result in your being treated as a single person with no other entries on the form; providing 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 territories 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.

|  |   |   |
|--|---|---|
| Form <b>W-4R</b><br>Department of the Treasury<br>Internal Revenue Service | <b>Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions</b><br>Give Form W-4R to the payer of your retirement payments. | OMB No. 1545-0074<br><span style="font-size: 2em; font-weight: bold;">2024</span> |
| <b>1a</b> First name and middle initial _____ Last name _____              |   | <b>1b</b> Social security number _____  |
| Address _____  |   |   |
| City or town, state, and ZIP code _____                                    |   |   |

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories.
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

|   |          |   |
|---|----------|---|
| <b>2</b> Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals) . . . . . | <b>2</b> | % |
|---|----------|---|

|                  |   |            |
|------------------|---|------------|
| <b>Sign Here</b> | Your signature (This form is not valid unless you sign it.) _____ | Date _____ |
|------------------|---|------------|

**General Instructions**

Section references are to the Internal Revenue Code.

**Future developments.** For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to [www.irs.gov/FormW4R](http://www.irs.gov/FormW4R).

**Purpose of form.** Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular

intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

**Caution:** 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. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

**2024 Marginal Rate Tables**

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

| Single or Married filing separately |                                | Married filing jointly or Qualifying surviving spouse |                                | Head of household  |                                |
|-------------------------------------|--------------------------------|---|--------------------------------|--------------------|--------------------------------|
| Total income over—                  | Tax rate for every dollar more | Total income over—                                    | Tax rate for every dollar more | Total income over— | Tax rate for every dollar more |
| \$0                                 | 0%                             | \$0   | 0%                             | \$0                | 0%                             |
| 14,600                              | 10%                            | 29,200  | 10%                            | 21,900             | 10%                            |
| 26,200                              | 12%                            | 52,400  | 12%                            | 38,450             | 12%                            |
| 61,750                              | 22%                            | 123,500   | 22%                            | 85,000             | 22%                            |
| 115,125                             | 24%                            | 230,250   | 24%                            | 122,400            | 24%                            |
| 206,550                             | 32%                            | 413,100   | 32%                            | 213,850            | 32%                            |
| 258,325                             | 35%                            | 516,650   | 35%                            | 265,600            | 35%                            |
| 623,950*                            | 37%                            | 760,400   | 37%                            | 631,250            | 37%                            |

\* If married filing separately, use \$380,200 instead for this 37% rate.

## General Instructions (continued)

**Nonperiodic payments—10% withholding.** Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

**Note:** If you don't give Form W-4R to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can't honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2024, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

**Eligible rollover distributions—20% withholding.** Distributions you receive from qualified retirement 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 20% default rate of withholding on the taxable amount of the distribution. You can't choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don't give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions for purposes of these withholding rules:

- Qualifying “hardship” distributions;
- Distributions required by federal law, such as required minimum distributions;
- Generally, distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

**Payments to nonresident aliens and foreign estates.** Do not use Form W-4R. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

**Tax relief for victims of terrorist attacks.** If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

## Specific Instructions

### Line 1b

For an estate, enter the estate's employer identification number (EIN) in the area reserved for “Social security number.”

### Line 2

**More withholding.** If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

**Less withholding (nonperiodic payments only).** If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

**Suggestion for determining withholding.** Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

**Examples.** Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

**Example 1.** You expect your total income to be \$62,000 without the payment. Step 1: Because your total income without the payment, \$62,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$82,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

**Example 2.** You expect your total income to be \$43,700 without the payment. Step 1: Because your total income without the payment, \$43,700, is greater than \$26,200 but less than \$61,750, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$63,700, is

greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. The two rates differ. \$18,050 of the \$20,000 payment is in the lower bracket (\$61,750 less your total income of \$43,700 without the payment), and \$1,950 is in the higher bracket (\$20,000 less the \$18,050 that is in the lower bracket). Multiply \$18,050 by 12% to get \$2,166. Multiply \$1,950 by 22% to get \$429. The sum of these two amounts is \$2,595. This is the estimated tax on your payment. This amount corresponds to 13% of the \$20,000 payment (\$2,595 divided by \$20,000). Enter "13" on line 2.

**Privacy Act and Paperwork Reduction Act Notice.** 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 additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). 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).

Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing 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 territories 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.