

Form CT-W4P

Withholding Certificate for Pension or Annuity Payments

2020

Instructions for Periodic Payments, such as a monthly pension payment:

Step 1: (Required) Select the filing status and description of income from the chart below that best matches your situation. Enter the corresponding Withholding Code on Line 1.

Step 2: (Optional) To see the amount of tax that will be withheld monthly, go to portal.ct.gov/DRS, select *Forms*, below the section titled **Guidance** select *Calculators*, then select *Monthly Connecticut Withholding Calculator*.

Step 3: (Optional) To increase or decrease the amount that will be withheld, enter an additional amount on Line 2, or a reduction amount on Line 3.

Instructions for Nonperiodic Payments, such as an on demand distribution: Do **not** use the chart below. Either enter *Withholding Code* "E" on Line 1 which will result in \$0 withholding; **or** enter *Withholding Code* "E" on Line 1 and a dollar amount on Line 2 for a specific amount to be withheld. If neither of these options are indicated, your payer will withhold at 6.99%.

Married Filing Jointly	Withholding Code	Married Filing Separately	Withholding Code
Our expected combined annual gross income is less than or equal to \$24,000 or no withholding is necessary (i.e., withholding from other income source).	E	My expected annual gross income is less than or equal to \$12,000 or no withholding is necessary (i.e., withholding from other income source).	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.	A	My expected annual gross income is greater than \$12,000.	A
My spouse does not have income subject to withholding and our expected combined annual gross income is	C	I have significant other income and wish to avoid having too little tax withheld.	D
		My expected annual gross income is less than or equal to \$15,000 or no withholding is necessary (i.e., withholding from other income source).	E

Qualifying Widow(er)	Withholding Code
My expected annual gross income is less than or equal to \$24,000 or no withholding is necessary (i.e., withholding from other income source).	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

First name	MI	Last name	Social Security Number
Home address (number and street, apartment number, suite number, PO Box)			Claim or identification number (if any) of your pension or annuity contract
City/town	State	ZIP code	

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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Form CT-W4P Instructions

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. Distributions subject to withholding include taxable distributions from the following: an employer pension, and annuity, a profit sharing plan, a stock bonus, a deferred compensation plan, an individual retirement arrangement (IRA), an endowment and a life insurance contract. Taxable distributions are distributions that are subject to federal income tax.

The method of withholding depends on whether the payment is periodic, nonperiodic, or a distribution of the entire account balance. Connecticut uses the federal definition for periodic and nonperiodic payments.

Periodic Payments: Withholding from periodic pension and annuity payments, such as monthly pension payments, is calculated using the same method that an employer uses 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 annual gross income.

For the purpose of determining your withholding code, your annual **gross income** is your total income from all sources, but you may exclude the following amounts:

- If you receive Social Security benefits, and your filing status is single or married filing separately and your federal adjusted gross income is less than \$75,000; or married filing jointly, qualifying widow(er), or head of household and your federal adjusted gross income is less than \$100,000, do **not** include the amount of your Social Security. If your federal adjusted gross income is above these limits for your filing status, then do not include 75% of your total Social Security benefits.
- If you receive payments from the Teachers' Retirement System, do **not** include 25% of the amounts received.
- If you receive pension and annuity income from a defined benefit plan, a 401(k), 403(b) or a 457 plan, do not include