

Why does IMRF withhold federal income tax from your payments?

Members often ask why IMRF withholds federal income tax from a monthly retirement or disability payment when they never told IMRF to do this.

If your monthly benefit payment exceeds a certain amount, by law IMRF must withhold a default amount from your payment even if you did not tell us to do this. Visit www.irs.org for more information about tax withholding.

This default amount may result in either too much or too little being withheld.

How do you change your tax withholding?

If you want to change the amount IMRF withholds for federal income tax, you may:

- Update your withholding instructions online through your Member Access account at www.imrf.org.
- Send us an IRS Form W-4P (available at www.irs.org). You can also download the form at www.imrf.org or call IMRF at 1-800-ASK-IMRF (275-4673).
- Send us a letter with your withholding request. (The letter must include your signature **and** your IMRF Member ID or the last four digits of your Social Security number).

Your withholding options include:

- Using the federal tables based on your entries on your W-4P.
- Using the federal tables plus taking an additional amount.
- Asking IMRF to not deduct any federal withholding. This option is not available if the payment is sent outside of the USA.

Caution: Remember that there are penalties for not paying enough tax during the year. IMRF cannot offer tax advice. For more information, please see IRS Publication 505, "Tax Withholding and Estimated Tax," available from most IRS offices or from www.irs.gov.

