



Choosing Income Tax Withholding Preferences

North Carolina Retirement Systems

Please print or type in black ink.

Section A. Tell us about yourself.

| | | | | |
|-----------------|-------|-----------|---------------|---------------|
| FIRST NAME | MI | LAST NAME | | SSN |
| MAILING ADDRESS | | | | MEMBER ID |
| CITY | STATE | ZIP CODE | TELEPHONE NO. | DATE OF BIRTH |

Section B. Please check the retirement system that applies to these withholding preferences.

If more than one, you must fill out a separate form for each retirement system account.

- | | |
|---|---|
| <input type="checkbox"/> Teachers' and State Employees' Retirement System | <input type="checkbox"/> Legislative Retirement System |
| <input type="checkbox"/> National Guard Pension Fund | <input type="checkbox"/> Disability Income Plan of North Carolina |
| <input type="checkbox"/> Local Governmental Employees' Retirement System | <input type="checkbox"/> Legislative Retirement Fund |
| <input type="checkbox"/> Registers of Deed's Supplemental Pension Fund | <input type="checkbox"/> Firemen's Pension Fund |
| <input type="checkbox"/> Consolidated Judicial Retirement System | <input type="checkbox"/> Rescue Squad Workers' Pension Fund |

Section C. Notice of Withholding for Federal Income Tax

The pension payments you receive from your Retirement System could be subject to Federal income tax withholding unless you elect not to have withholding apply. Withholding will only apply to the portion of your pension payment that is already included in your income subject to federal income tax and will be like wage withholding. Thus, there will be no withholding on the return of your own previously taxed contributions to the plan.

Possible Penalties

If you elect not to have withholding apply to your pension payments, or if you do not have enough Federal income tax withheld from your pension payments, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

Section D. Federal Income Tax Withholding Preference Certificate (W-4P)

You may elect not to have Federal income tax withheld from your retirement benefit payment; however, if you elect not to have Federal income tax withheld, you are liable for payment of Federal income tax on the taxable portion of your benefit. You also may be subject to tax penalties under the estimated tax payment rules, if your payments of estimated tax and withholding, if any, are not adequate.

Make your election as to Federal income tax withholding by checking the appropriate box.

- A I **do not want** Federal income tax withheld from my monthly retirement benefit.
- B I **want** Federal income tax withheld from my monthly retirement benefit on the following basis (You **must** complete at least *B1* and *B2* at right.)

B1 **Marital Status** Single Married

B2 **Number of Allowances Claimed**

B3 **Minimum Withholding (Optional)** \$

Enter **total monthly** amount you want withheld. The Retirement Systems Division will **not** process this optional minimum withholding amount without your designations for marital status (*B1*) and number of allowances claimed (*B2*).

Results of Failure to File

If certificate is not filed, withholding will be based on married tax tables with 3 allowances.

Signature _____ COMPLETE AND RETURN BOTH PAGES OF THIS FORM Date _____

Please continue to next page.

Section E. North Carolina Income Tax Withholding Preference Certificate (NC-4P)

Retirement benefits are exempt from North Carolina income tax provided you had five (5) or more years of maintained creditable service in the Retirement System as of August 12, 1989. Non-exempt benefits are subject to North Carolina income tax after the first \$4,000 of benefits received each year. If you are a resident of North Carolina and are not exempt from North Carolina tax, you may elect not to have North Carolina income tax withheld; however, if you elect not to have tax withheld, you may be subject to tax penalties. The Retirement Systems Division is unable to withhold taxes for other states.

Make your election as to North Carolina income tax withholding by checking the appropriate box.

- A I **do not want** North Carolina income tax withheld from my monthly retirement benefit.
- B I **want** North Carolina income tax withheld from my monthly retirement benefit on the following basis (You **must** complete at least *B1* and *B2* at right.)

B1 Marital Status

- Single Head of Household Married or Qualifying Widow(er)

B2 Number of Allowances Claimed

B3 Minimum Withholding (Optional) \$

Enter **total monthly** amount you want withheld. The Retirement Systems Division will **not** process this optional minimum withholding amount without your designations for marital status (*B1*) and number of allowances claimed (*B2*).

Results of Failure to File

If you are a resident of North Carolina and are not exempt from North Carolina income tax, and do not make an election, we are required to withhold on the basis of married with 3 allowances. If your retirement benefits are subject to North Carolina income tax and you elect not to have tax withheld, you may be subject to tax penalties.

Signature _____ COMPLETE AND RETURN BOTH PAGES OF THIS FORM Date _____

Section F. You must submit this online or submit both pages by mail or fax.

- You may access the online version of this form at www.myncretirement.com.
- You may mail the completed form to the address below.
- You may fax the completed form to (919) 508-5350.
- Your form will not be processed unless both pages are properly completed and received.

This form must be filed prior to the date your benefit begins and thereafter at any time you wish to change your election, exemption, or marital status. Forms received by the 10th day of the month will be effective that month. If not received by the 10th, the form will be effective the following month.

Thank you.

N.C. Department of State Treasurer, Retirement Systems Division
325 North Salisbury Street, Raleigh, North Carolina 27603-1385
(919) 733-4191 in the Raleigh area or (877) 733-4191 toll free
www.myncretirement.com

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Guides for Choosing Income Tax Withholding Preferences

North Carolina Retirement Systems

Guide A. Instructions for Federal Income Tax Withholding Preference Certificate

The Federal income tax laws require that you complete this form so as to make your election on Federal income tax withholding from your retirement benefit.

Election

- Check box *A* if you do not want Federal income tax withheld.
- Check box *B* if you want Federal income tax withheld. If you check box *B*, you must also indicate *Marital Status* and *Number of Allowances*.

Marital Status

Check the single box if you are not married, or if you are widowed, divorced, or separated. Check the married box only if you are currently living with your spouse.

Number of Allowances Claimed

Enter the number of allowances that you would claim. Generally an allowance would be claimed for yourself, another

if you are over 65, another if you are blind, another for each dependent, and an additional allowance for your spouse if your spouse is not claiming an allowance on another certificate. The allowances that you would claim should be further modified if you have other sources of income or excess deductions. A worksheet for determining allowances can be found on Form W-4P issued by the Internal Revenue Service.

Minimum Withholding (Optional)

Enter the minimum total amount you want withheld from your retirement benefit. If the amount entered is greater than that computed using the tax tables, we will withhold the amount entered. If less, we will withhold as computed using the tax tables.

Failure to File

If certificate is not filed, withholding will be based on married tax tables with 3 allowances. See information on potential penalty on front of the certificate.

Guide B. Instructions for North Carolina Income Tax Withholding Preference Certificate

Retirement benefits are exempt from North Carolina income tax provided you had five (5) or more years of maintained creditable service in the Retirement System as of August 12, 1989. Non-exempt benefits are subject to North Carolina income tax after the first \$4,000 of benefits received each year. You should complete the appropriate section of the Certificate if you want North Carolina income tax withheld from your benefits payment.

Election

- Check box *A* if you do not want North Carolina tax withheld.
- Check box *B* if you want North Carolina tax withheld. If you check box *B*, you must also indicate *Marital Status* and *Number of Allowances*.

Marital Status

- Check *Single* if you are not married, or you are a widow/widower that does not meet the qualification to file as a qualifying widow/widower.
- Check *Head of Household* only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependents.
- Check *Married or Qualifying Widow(er)* if you are: (1) married, or (2) your spouse died in either of the two preceding tax years and you meet the following requirements: (a) Your home is maintained as the main household of a child or stepchild for whom you can claim an exemption; and you can claim an exemption; and (b) You were entitled to file a joint return with your spouse in the year of your spouse's death.

Number of Allowances Claimed

A worksheet for determining allowances is included with the Form NC-4 issued by the North Carolina Department of Revenue.

Minimum Withholding (Optional)

Enter the minimum total amount you want withheld from your retirement benefit. If the amount entered is greater than that computed using the tax tables, we will withhold the amount entered. If less, we will withhold as computed using the tax tables.

Even if your retirement benefits are exempt from North Carolina income tax, we may also withhold for you, if you choose, an amount to cover some other taxable income. If this is desirable, you must check box *B*, enter your marital status, allowances claimed, and a minimum monthly amount to be withheld. We will then withhold this minimum amount.

Failure to File

If you are a resident of North Carolina and are not exempt from North Carolina income tax, and do not make an election, we are required to withhold on the basis of married with 3 allowances. If your retirement benefits are subject to North Carolina income tax and you elect not to have tax withheld, you may be subject to tax penalties.

These guides are subject to and governed by the General Statutes of the State of North Carolina.

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