

Withholding Certificate for Pension or Annuity Payments

Type or Print Your Full Name	Your Social Security Number
Home Address (Number and Street or Rural Route)	Claim or Identification Number (if any) of Your Pension or Annuity Contract
City or Town, State and ZIP Code	

Complete the following applicable lines:

1. I elect not to have income tax withheld from my pension or annuity. (Do not complete lines 2, 3, or 4.)
2. I want my withholding from each pension or annuity payment to be figured using the number of allowances and marital status shown below:
 - a. Number of allowances you are claiming from the Regular Withholding Allowances Worksheet A 1 _____
 - b. Number of allowances from the Estimated Deductions Worksheet B..... 2 _____

SINGLE or MARRIED (with two or more incomes) MARRIED (one income) HEAD OF HOUSEHOLD
3. I want the following **additional** amount withheld from each pension or annuity payment. **Note:** You cannot enter an amount here without entering the number (including zero) of allowances on line 2 above ▶ \$ _____
4. I want this designated amount withheld from each pension or annuity payment. (Do not complete lines 1, 2, or 3.) ▶ \$ _____

Your Signature ▶ _____ Date ▶ _____

Cut Here

Give the top part of this form to the payer of your pension or annuity; keep the lower part for your records

Purpose of Form. — Unless you elect otherwise, the law requires that personal income tax be withheld from payments of pensions and annuities. The marital status and the withholding allowance claimed on your W-4P can be used to figure your State tax withholding.

The DE 4P allows you to:

- (1) Claim a different number of allowances for California personal income tax withholding than for federal income tax withholding.
- (2) Elect not to have income tax withheld from your periodic, or nonperiodic, pension or annuity payments.
- (3) Elect to have income tax withheld on periodic or nonperiodic payments based on:
 - (a) the number of allowances and marital status specified.
 - (b) a designated dollar amount.
- (4) Change or revoke the DE 4P previously filed.

Withholding from Pensions and Annuities. — Generally, withholding applies to payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans, from individual retirement arrangements (IRA), and from commercial annuities. Withholding also applies to property other than cash distributed.

In compliance with Federal law, California income tax is not to be withheld from pension recipients who reside outside of California.

Periodic and nonperiodic payments from all of the items above are treated as wages for the purpose of withholding.

A periodic payment is one that is includible in your income for tax purposes and that you receive in installments at regular intervals over a period of more than one full year from the starting date of the pension or annuity. The intervals can be annual, quarterly, monthly, etc. For example, if you receive a monthly pension or annuity payment and will continue to receive payments for more than a year, the payments are periodic. However, distributions from an IRA that are payable upon demand are treated as nonperiodic payments.

There are some kinds of periodic and nonperiodic payments for which you cannot use the DE 4P since they are already defined as wages subject to income tax withholding. Your payer should be able to tell you whether the DE 4P will apply.

Your certificate is usually effective 30 days after you file the form. The certificate stays in effect until you change or revoke it.

Methods of Withholding. — The payer can use one of the following three methods:

- (1) An amount determined by using the State wage withholding table. Payee completes lines 2 and 3 above.
- (2) A dollar amount that you designate. Payee completes line 4 above.
- (3) Ten percent of the amount of federal withholding computed pursuant to Section 3405 of the Internal Revenue Code.

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