Form W-4P
Withholding Certificate for Pension or Annuity Payments

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.

Purpose of form. Form W-4P is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities (including commercial annuities), and certain other deferred compensation. Use Form W-4P to tell payers the correct amount of federal income tax to withhold from your payment(s). You may also use Form W-4P to choose (a) not to have any federal income tax withheld from the payment (except for eligible rollover distributions or for payments to U.S. citizens to be delivered outside the United States or its possessions), or (b) to have an additional amount of tax withheld.

Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution, as explained on pages 2 and 3. You previously filed Form W-4P will remain in effect if you don’t file a Form W-4P for 2020.

General Instructions
Section references are to the Internal Revenue Code.

Follow these instructions to determine the number of withholding allowances you should claim for pension or annuity payment withholding for 2020 and any additional amount of tax to have withheld. Complete the worksheet(s) using the taxable amount of the payments.

If you don’t want any federal income tax withheld (see Purpose of form, earlier), you can skip the worksheets and go directly to the Form W-4P below.

Sign this form. Form W-4P is not valid unless you sign it.

You can also use the estimator at www.irs.gov/W4App to determine your tax withholding more accurately. Consider using this estimator if you have a more complicated tax situation, such as if you have more than one pension or annuity, a working spouse, or a large amount of income outside of your pensions. After your Form W-4P takes effect, you can also use this estimator to see how the amount of tax you’re having withheld compares to your projected total tax for 2020. If you use the estimator, you don’t need to complete any of the worksheets for Form W-4P.

Note that 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.

Filers with multiple pensions or more than one income. If you have more than one source of income subject to withholding (such as more than one pension or a pension and a job, or you’re married filing jointly and your spouse is working), read all of the instructions, including the instructions for the Multiple Pensions/More-Than-One-Income Worksheet, before beginning.

Other income. If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using Form 1040-ES. Estimated Tax for Individuals. Otherwise, you might owe additional tax. See Pub. 505, Tax Withholding and Estimated Tax, for more information. Get Form 1040-ES and Pub. 505 at www.irs.gov/FormsPubs. Or, you can use the Deductions, Adjustments, and Additional Income Worksheet on page 5 or the estimator at www.irs.gov/W4App to make sure you have enough tax withheld from your payments. If you have income from wages, see Pub. 505 or use the estimator at www.irs.gov/W4App to find out if you should adjust your withholding on Form W-4 or Form W-4P.

Note: Social security and railroad retirement payments may be includable in income. See Form W-4V, Voluntary Withholding Request, for information on voluntary withholding from these payments.

Withholding From Pensions and Annuities
Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans; from individual retirement arrangements (IRAs); and from commercial annuities. The method and rate of withholding depend on (a) the kind of payment you receive; (b) whether the payments are to be delivered outside the United States or its possessions; and (c) whether the recipient is a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a designated Roth account or Roth IRA are nontaxable and, therefore, not subject to withholding. See page 3 for special withholding rules that apply to payments to be delivered outside the United States and payments to foreign persons.

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Separate here and give Form W-4P to the payer of your pension or annuity. Keep the worksheet(s) for your records.

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Form W-4P
Withholding Certificate for Pension or Annuity Payments

Your first name and middle initial
Last name
Your social security number
Claim or identification number (if any) of your pension or annuity contract

Home or town, state, and ZIP code

Complete the following applicable lines.

1. Check here if you do not want any federal income tax withheld from your pension or annuity. (Don’t complete line 2 or 3.) □

2. Total number of allowances and marital status you’re claiming for withholding from each periodic pension or annuity payment. (You may also designate an additional dollar amount on line 3.) □

   Marital status: □ Single □ Married □ Married, but withhold at higher Single rate.

3. Additional amount, if any, you want withheld from each pension or annuity payment. (Note: For periodic payments, you can’t enter an amount here without entering the number (including zero) of allowances on line 2.) □

Your signature □
Date □

Cat. No. 10225T

Form W-4P (2020)
Because your tax situation may change from year to year, you may want to refigure your withholding each year. You can change the amount to be withheld by using lines 2 and 3 of Form W-4P.

**Choosing not to have income tax withheld.** You (or in the event of death, your beneficiary or estate) can choose not to have federal income tax withheld from your payments by using line 1 of Form W-4P. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the decedent. Enter the estate’s employer identification number (EIN) in the area reserved for “Your social security number” on Form W-4P.

You may not make this choice for eligible rollover distributions. See **Eligible rollover distribution—20% withholding below**.

**Caution:** There are penalties for not paying enough federal income tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see Pub. 505. It explains your estimated tax requirements and describes penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your pension or annuity using Form W-4P.

**Periodic payments.** Withholding from periodic payments of a pension or annuity is figured using certain withholding tables that are also used to figure withholding from wages. Periodic payments are made in installments at regular intervals over a period of more than 1 year. They may be paid annually, quarterly, monthly, etc.

If you want federal income tax to be withheld, you must designate the number of withholding allowances on line 2 of Form W-4P and indicate your marital status by checking the appropriate box. You can’t designate a specific dollar amount to be withheld. However, you can designate an additional amount to be withheld on line 3.

If you don’t want any federal income tax withheld from your periodic payments, check the box on line 1 of Form W-4P and submit the form to your payer. However, see Payments to Foreign Persons and Payments To Be Delivered Outside the United States on page 3.

**Caution:** If you don’t submit Form W-4P to your payer, the payer must withhold from periodic payments as if you’re married claiming three withholding allowances. Generally, this means that tax will be withheld if the taxable amount of your pension or annuity is at least $2,085 a month.

If you submit a Form W-4P that doesn’t contain your correct social security number (SSN), the payer must withhold as if you’re single claiming zero withholding allowances even if you checked the box on line 1 to have no federal income tax withheld.

There are some kinds of periodic payments for which you can’t use Form W-4P because they’re already defined as wages subject to federal income tax withholding. These payments include retirement pay for service in the U.S. Armed Forces and payments from certain nonqualified deferred compensation plans and tax-exempt organizations’ deferred compensation plans described in section 457. Your payer should be able to tell you whether Form W-4P applies.

For periodic payments, your Form W-4P stays in effect until you change it or revoke it. Your payer must notify you each year of your right to choose not to have federal income tax withheld (if permitted) or to change your choice.

**Nonperiodic payments—10% withholding.** Your payer must withhold at a flat 10% rate from the taxable amount of nonperiodic payments (but see **Eligible rollover distribution—20% withholding below**) unless you choose not to have federal income tax withheld. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. You can choose not to have federal income tax withheld from a nonperiodic payment (if permitted) by submitting Form W-4P (containing your correct SSN) to your payer and checking the box on line 1. However, see Payments to Foreign Persons and Payments To Be Delivered Outside the United States on page 3. Generally, your choice not to have federal income tax withheld will apply to any later payment from the same plan. You can’t use line 2 for nonperiodic payments. But you may use line 3 to specify an additional amount that you want withheld.

**Caution:** If you submit a Form W-4P that doesn’t contain your correct SSN, the payer can’t honor your request not to have income tax withheld and must withhold 10% of the payment for federal income tax.

**Eligible rollover distribution—20% withholding.** Distributions you receive from qualified pension or annuity 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 flat 20% federal withholding rate on the taxable amount of the distribution. The 20% withholding rate is required, and you can’t choose not to have income tax withheld from eligible rollover distributions. Don’t give Form W-4P to your payer unless you want an additional amount withheld. In that case, complete line 3 of Form W-4P and submit the form to your payer.
Note: The payer won’t withhold federal income tax if the entire distribution is transferred by the plan administrator in a direct rollover to a traditional IRA or another eligible retirement plan (if allowed by the plan), such as a 401(k) plan, qualified pension plan, governmental section 457(b) plan, section 403(b) contract, or tax-sheltered annuity.

Distributions that are (a) required by federal law, (b) one of a specified series of equal payments, or (c) qualifying “hardship” distributions are not “eligible rollover distributions” and aren’t subject to the mandatory 20% federal income tax withholding. See Pub. 505 for details. See also Nonperiodic payments—10% withholding on page 2.

Tax relief for victims of terrorist attacks. For tax years ending after September 10, 2001, disability payments for injuries incurred as a direct result of a terrorist attack directed against the United States (or its allies), whether outside or within the United States, aren’t included in income. You may check the box on line 1 of Form W-4P and submit the form to your payer to have no federal income tax withheld from these disability payments. However, you must include in your income any amounts that you received or would’ve received in retirement had you not become disabled as a result of a terrorist attack. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Changing Your “No Withholding” Choice

Periodic payments. If you previously chose not to have federal income tax withheld and you now want withholding, complete another Form W-4P and submit it to your payer. If you want federal income tax withheld at the 2020 default rate (married with three allowances), write “Revoked” next to the checkbox on line 1 of the form. If you want tax withheld at a different rate, complete line 2 on the form.

Nonperiodic payments. If you previously chose not to have federal income tax withheld and you now want withholding, write “Revoked” next to the checkbox on line 1 and submit the Form W-4P to your payer.

Payments to Foreign Persons and Payments To Be Delivered Outside the United States

Unless you’re a nonresident alien, withholding (in the manner described above) is required on any periodic or nonperiodic payments that are to be delivered to you outside the United States or its possessions. Don’t check the box on line 1 of Form W-4P. See Pub. 505 for details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates are generally 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 tax 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. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for details. A foreign person should submit Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting, to the payer before receiving any payments. The Form W-8BEN must contain the foreign person’s taxpayer identification number (TIN).

Statement of Federal Income Tax Withheld From Your Pension or Annuity

By February 1 of next year, your payer will furnish a statement to you on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., showing the total amount of your pension or annuity payments and the total federal income tax withheld during the year. If you’re a foreign person who has provided your payer with Form W-8BEN, your payer instead will furnish a statement to you on Form 1042-S, Foreign Person’s U.S. Source Income Subject to Withholding, by March 15 of next year.

Specific Instructions

Personal Allowances Worksheet

Complete this worksheet on page 4 first to determine the number of withholding allowances to claim.

Line C. Head of household please note: Generally, you can claim head of household filing status on your tax return only if you’re unmarried and pay more than 50% of the costs of keeping up a home for yourself and a qualifying individual. See Pub. 501 for more information about filing status.

Line D. Child tax credit. When you file your tax return, you may be eligible to claim a child tax credit for each of your eligible children. To qualify, 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 SSN. To learn more about this credit, see Pub. 972, Child Tax Credit and Credit for Other Dependents. To reduce the tax withheld from your payments by taking this credit into account, follow the instructions on line D of the worksheet. On the worksheet, you will be asked about your total income. For this purpose, total income includes all of your pensions, wages, and other income, including income earned by a spouse if you’re filing a joint return.

Line E. Credit for other dependents. When you file your tax return, you may be eligible to claim a credit for other dependents for whom a child tax credit can’t be claimed, such as a qualifying child who does not meet the age or SSN requirement for the child tax credit, or a qualifying relative. To learn more about this credit, see Pub. 972. To reduce the tax withheld from your payments by taking this credit into account, follow the instructions on line E of the worksheet. On the worksheet, you will be asked about your total income. For this purpose, total income includes all of your pensions, wages, and other income, including income earned by a spouse if you’re filing a joint return.

Line F. Other credits. You may be able to reduce the tax withheld from your payments if you expect to claim other tax credits, such as tax credits for education (discussed in Pub. 970). If you do so, your payments will be larger, but the amount of any refund that you receive when you file your tax return will be smaller. Follow the instructions for the worksheet for converting credits to allowances in Pub. 505 if you want to reduce your withholding by taking these credits into account. If you compute all your credits using that worksheet in Pub. 505, enter “-0” on lines D and E.

Deductions, Adjustments, and Additional Income Worksheet

Complete this worksheet to determine if you’re able to reduce the tax withheld from your pension or annuity payments to account for your itemized deductions and other adjustments to income, such as deductible IRA contributions. If you do so, your refund at the end of the year will be smaller, but your payments will be larger. You’re not required to complete this worksheet or reduce your withholding if you don’t wish to do so.

You can also use this worksheet to figure out how much to increase the tax withheld from your payments if you have a large amount of other income not subject to withholding, such as interest, dividends, or capital gains.

Another option is to take these items into account and make your withholding more accurate by using the estimator at www.irs.gov/W4App. If you use the estimator, you don’t need to complete any of the worksheets for Form W-4P.

Multiple Pensions/More-Than-One-Income Worksheet

Complete this worksheet if you receive more than one pension, if you have a pension and a job, or if you’re married filing jointly and have a working spouse or a spouse who receives a pension. If you don’t complete this worksheet, you might have too little tax withheld. If so, you will generally owe tax when you file your tax return and may be subject to a penalty.
Use the Multiple Pensions/More-Than-One-Income Worksheet from only one Form W-4P to figure the number of allowances you’re entitled to claim and any additional amount of tax to withhold from all pensions. If you (and/or your spouse if filing jointly) have two or more pensions, withholding will generally be more accurate if only the Form W-4P for the highest paying pension (a) claims any allowances after lines A through B in the Personal Allowances Worksheet or any allowances in the Deductions, Adjustments, and Additional Income Worksheet; and (b) uses the Multiple Pensions/More-Than-One-Income Worksheet. If you (and/or your spouse if filing jointly) have a pension and a job, withholding will generally be more accurate if the Form W-4P for the pension doesn’t claim any allowances after lines A through B in the Personal Allowances Worksheet or any allowances in the Deductions, Adjustments, and Additional Income Worksheet. However, you may need to use the Multiple Pensions/More-Than-One-Income Worksheet. If you (and/or your spouse if filing jointly) have more than one pension (or a pension and a job) and you need to complete a new Form W-4P or Form W-4 for a pension or a job, you (and/or your spouse) will generally get more accurate withholding by completing new Form(s) W-4P or Form(s) W-4 for all other pensions and jobs. See Pub. 505 for details.

Another option is to use the estimator at www.irs.gov/W4App to figure your withholding more precisely.

<table>
<thead>
<tr>
<th>Personal Allowances Worksheet (Keep for your records.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Enter “2” for yourself</td>
</tr>
<tr>
<td>B Enter “1” if you will file as married filing jointly</td>
</tr>
<tr>
<td>C Enter “1” if you will file as head of household</td>
</tr>
<tr>
<td>D Child tax credit. See Pub. 972 for more information.</td>
</tr>
<tr>
<td>• If your total income will be less than $72,351 ($105,051 if married filing jointly), enter “4” for each eligible child.</td>
</tr>
<tr>
<td>• If your total income will be from $72,351 to $181,950 ($105,051 to $351,400 if married filing jointly), enter “2” for each eligible child.</td>
</tr>
<tr>
<td>• If your total income will be from $181,951 to $200,000 ($351,401 to $400,000 if married filing jointly), enter “1” for each eligible child.</td>
</tr>
<tr>
<td>• If your total income will be higher than $200,000 ($400,000 if married filing jointly), enter “-0-”</td>
</tr>
<tr>
<td>E Credit for other dependents. See Pub. 972 for more information.</td>
</tr>
<tr>
<td>• If your total income will be less than $72,351 ($105,051 if married filing jointly), enter “1” for each eligible dependent.</td>
</tr>
<tr>
<td>• If your total income will be from $72,351 to $181,950 ($105,051 to $351,400 if married filing jointly), enter “1” for every two dependents (for example, “-0-” for one dependent, “1” if you have two or three dependents, and “2” if you have four dependents).</td>
</tr>
<tr>
<td>• If your total income will be higher than $181,951 ($351,401 if married filing jointly), enter “-0-”</td>
</tr>
<tr>
<td>F Other credits. If you have other credits, see the worksheet for converting credits to allowances in Pub. 505 and enter the amount from that worksheet here. If you compute all your credits using that worksheet in Pub. 505, enter “-0-” on lines D and E</td>
</tr>
<tr>
<td>G Add lines A through F and enter the total here</td>
</tr>
</tbody>
</table>

For accuracy, complete all worksheets that apply.

- If you plan to itemize or claim adjustments to income and want to reduce your withholding, or if you have a large amount of other income not subject to withholding and want to increase your withholding, see the Deductions, Adjustments, and Additional Income Worksheet on page 5.
- If you have more than one source of income subject to withholding or are married filing jointly and you and your spouse both have income subject to withholding and your combined income from all sources exceeds $13,000 ($25,000 if married filing jointly), see the Multiple Pensions/More-Than-One-Income Worksheet on page 5 to avoid having too little tax withheld, or use the estimator for more accuracy.
- If neither of the above situations applies, stop here and enter the number from line G on line 2 of Form W-4P above.