MARYLAND STATE RETIREMENT AGENCY
120 EAST BALTIMORE STREET
BALTIMORE, MD 21202-6700

FEDERAL AND MARYLAND STATE TAX WITHHOLDING REQUEST

RETIREMENT USE ONLY **FORM 766 (Rev. 2/16)**

You must file one combined form covering both your Federal and State tax withholding elections. Selections made to Part I (Federal) or Part II (Maryland State) on this form will revoke your prior tax withholding selections. Each Section (Part I Federal or Part II State) of the Tax Withholding Form that is not completed in accordance with form instructions will not be processed.

If you have more than one retirement account, please select the account applicable to this tax withholding request: ☐ Retiree ☐ Beneficiary ☐ All

PART I – FEDERAL TAX WITHHOLDING CERTIFICATE

If you want federal income tax to be withheld, you must designate the number of withholding allowances on line 2 of Form W-4P. Under current federal law, you cannot only designate a specific dollar amount to be withheld. However, you can designate an additional amount to be withheld on line 3 below. If you do not want any federal income tax withheld from your periodic payments, check the box on line 1 of Form W-4P. If you do not submit Form W-4P, the Agency must withhold periodic payments as if you are married claiming 3 exemptions.

Form **W-4P**
Department of the Treasury
Internal Revenue Service

Withholding Certificate for Pension or Annuity Payments

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Type or print your first name and middle initial	Last 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 Check here if you **do not want any** federal income tax withheld from your pension or annuity. (Do not complete lines 2 or 3.) ► ☐

2 Enter the total number of allowances you are claiming for withholding from each periodic pension or annuity payment on this line, and check the appropriate marital status box below. (Note: You must enter a number on the line and check a box. You also may designate an additional amount on line 3.) . . . . . ► _____

Marital status: ☐ Single or Married, but withhold at higher "Single" rate ☐ Married (Enter number of allowances.)

3 Additional dollar amount, if any, you want withheld from each pension or annuity payment. (Note: You also must complete all parts of line 2 above by entering the number (including zero) of allowances and checking the marital status box.) . . . . . ► $

YOUR SIGNATURE ► **DATE ►**

THIS FORM IS NOT VALID UNLESS YOU SIGN IT. Form **W-4P** (2014)

PART II – MARYLAND STATE INCOME TAX WITHHOLDING REQUEST

Please check the appropriate block indicating your election. Check only one.

1. [ ] I am NOT a Maryland resident. Do not withhold Maryland income tax.
2. [ ] I AM a Maryland resident but I do not wish to have Maryland income tax withheld.
3. [ ] Withhold Maryland income tax from each monthly pension payment the following whole dollar amount: $_____.xx

Return this form to the Maryland State Retirement Agency at the address above.

Your Signature _____ Date _____

Daytime Phone #: (____)_____

IT IS IMPORTANT THAT YOU CAREFULLY READ THE FOLLOWING PAGE OF THIS FORM.
THIS FORM IS NOT VALID UNLESS YOU SIGN.

Part I
FEDERAL INCOME TAX WITHHOLDING

The monthly retirement payments you receive from the Maryland State Retirement and Pension System may be subject to Federal income tax withholding. For further information, please refer to Internal Revenue Service Publication 575 regarding the taxability of pension and annuity income.

As a retiree, the following Federal income tax withholding alternatives are available to you:

1. You may elect not to have Federal income tax deducted from your monthly retirement payment, or
2. You may claim a certain number of exemptions and have the Maryland State Retirement and Pension System deduct the appropriate amount, if any, in accordance with the Federal income tax tables and you may designate an additional specific whole dollar amount to be withheld from your monthly retirement payment.

If you elect not to have Federal withholding apply to your monthly retirement payments, or if you do not have enough Federal income tax withheld, you may be responsible for payment of estimated tax. You may incur penalties under the Internal Revenue Service estimated tax rules if your withholding and estimated tax payment are not sufficient. New retirees, especially, should see IRS Publication 505.

Part II
MARYLAND STATE INCOME TAX WITHHOLDING

The monthly retirement payments you receive from the Maryland State Retirement and Pension System may be subject to Maryland income tax withholding.

As a retiree and a Maryland resident, the following Maryland income tax withholding alternatives are available to you:

1. You may elect not to have Maryland income tax deducted from your monthly retirement payment, or
2. You may designate a specific whole dollar amount to be withheld from your monthly retirement payment.

If you elect not to have Maryland withholding apply to your monthly retirement payments, or if you do not have enough Maryland income tax withheld, you may be responsible for payment of estimated tax.

NOTE: The Maryland State Retirement Agency does NOT withhold state income taxes for states other than Maryland.

An election of any one of the alternatives will remain in effect until you revoke it. You may revoke or change your election at any time by filing a new Federal and Maryland State Tax Withholding Request.

The Maryland State Retirement Agency cannot assist you in the preparation of tax returns. Please contact the Internal Revenue Service at 1-800-829-1040, the Comptroller's Taxpayer Service Information Line at 410-260-7980 (in Central Maryland) or 1-800-638-2937, or a tax consultant for any assistance.

To receive additional copies of the Federal and Maryland State Tax Withholding Request form, or for other information concerning your retirement benefits, call 410-625-5555, or toll free in Maryland 1-800-492-5909, or visit our website at sra.maryland.gov.

SEE PRECEDING PAGE FOR FEDERAL AND MARYLAND STATE TAX WITHHOLDING REQUEST

Additional Instructions:

Section references are to the Internal Revenue Code.
Agency refers to the Maryland State Retirement Agency.

When should I complete the form? Complete Form W-4P and give it to the payer as soon as possible. Get Pub. 505, Tax Withholding and Estimated Tax, to see how the dollar amount you are having withheld compares to your projected total federal income tax for 2016. You may also use the Withholding Calculator on the IRS website at *www.irs.gov/individuals* for help in determining how many withholding allowances to claim on your Form W-4P.

Multiple pensions/more-than-one-income. To figure the number of allowances that you may claim, combine allowances and income subject to withholding from all sources on one worksheet. You may file a Form W-4P with each pension payer, but do not claim the same allowances more than once. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4P for the highest source of income subject to withholding and zero allowances are claimed on the others.

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. Call 1-800-TAX-FORM (1-800-829-3676) to get Form 1040-ES and Pub. 505. You can also get forms and publications from the IRS website at *www.irs.gov/formspubs*.

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 delivered outside the United States or its commonwealths and possessions, and (c) whether the recipient is a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a Roth IRA are nontaxable and, therefore, not subject to withholding. See special withholding rules that apply to payments outside the United Sates and payments to foreign persons.

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.

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 in the same manner as 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. Under current law, you cannot designate a specific dollar amount to be withheld. However, you can designate an additional amount to be withheld on line 3. If you do not 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 Outside of the United States.

Caution. *If you do not submit Form W-4P to your payer, the payer must withhold on periodic payments as if you are married claiming three withholding allowances. Generally, this means that tax will be withheld if your pension or annuity is at least $1,720 a month.*

If you submit a Form W-4P that does not contain your correct Social Security number (SSN), the payer must withhold as if you are 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 cannot use Form W-4P because they are 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 deferred compensation plans of exempt organizations 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 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.

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.

Payments to Foreign Persons and Payments Outside the United States

Unless you are a nonresident alien, withholding (in the manner described above) is required on any periodic or nonperiodic payments that are delivered to you outside the United States or its possessions. You cannot choose not to have federal income tax withheld on line 1 of Form W-4P. See Pub. 505 for additional details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are 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, 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 January 31 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 are 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.