Iowa Department of Revenue
https://tax.iowa.gov

2015 IA W-4P

Withholding Certificate for Pension or Annuity Payments

Instructions

Eligibility Requirements

Military retirement pay for service in the United States Armed Forces, the Armed Forces Military Reserve, or the National Guard is eligible for exemption from Iowa income tax. Only military retirement pay received from the Defense Finance and Accounting Service (DFAS), or a similar source is eligible for the exemption.

Railroad Retirement benefits paid by the Railroad Retirement Board are not taxable on the Iowa Return.

If you or your spouse receives a pension, an annuity, a self-employed retirement plan, deferred compensation, IRA distribution, or other retirement plan benefits, you may be eligible for a partial exemption for qualified Iowa residents. To qualify you must be 55 years of age or older or disabled. If you are a surviving spouse or survivor of an individual who would have qualified for the exclusion you may also be eligible for a partial exemption. To be considered disabled you must be receiving retirement income on the basis of a documented disability or you must meet federal or state criteria for disability. Federal Civil Service annuitants who want Iowa tax withheld from federal pensions should call the Office of Personnel Management toll free at 888-767-6738 or e-mail retire@opm.gov.

Withholding Rates

Payers have the option of withholding at a rate of 5%, using the withholding formula, or using the withholding tables.

Low-Income Exemption

Taxpayers 65 years of age or older are exempt if:

- You are single and your income is $24,000 or less,
- Your filing status is other than single and the total income of both spouses is $32,000 or less. Only one spouse must be 65 or older to qualify for this exemption.

Note: Pension exclusion and any reportable Social Security amount must be added to net income for purposes of determining the low-income exemption.

Taxpayers under 65 are exempt if:

- Your net income is less than $5,000 and you are claimed as a dependent on another person's Iowa return.
- You are single and your net income is $9,000 or less and you are not claimed as a dependent on another person's Iowa return.
- Your filing status is other than single and your combined net income is $13,500 or less.

Claiming No Exemption

Iowa income tax will be withheld on the entire amount of taxable benefits received if this box is checked below.

Withholding Choices

Unmarried Iowa residents may choose to have Iowa tax withheld on the annual taxable amount excluding up to $6,000. Married taxpayers may exclude up to $12,000 from the annual taxable amount.

Name:_____ SSN:_____

Address:_____

City:_____ State:_____ ZIP:_____

Iowa Income tax is withheld for Iowa residents only.

Are you an Iowa resident? Yes ☐ No ☐

I choose **not to have** Iowa income tax withheld from my pension/annuity. ..... ☐

Note: If you are an Iowa resident and the taxable portion of your annual distribution is greater than $6,000 ($12,000 married Iowa filers), Iowa tax must be withheld if federal tax is being withheld unless you qualify for the low-income exemption. See Eligibility Requirements above.

I choose **to have** Iowa income tax withheld from my pension/annuity at a rate of 5% (or based on the withholding formula if the payer so chooses). Select one of the following:

- claiming no exemption (see instructions) ..... ☐
- excluding $6,000 in benefits each year ..... ☐
- excluding $12,000 in benefits each year (married – status 2, 3, or 4) ..... ☐

Additional amount, if any, to be withheld from each benefit payment (whole dollars): $_____.00

Signature:_____ Date:_____

Where to Send the IA W-4P

Return the completed form to the person who handles your pension/retirement check, or, if planning to retire, your current payroll officer. If you are a federal employee, return it to the Office of Personnel Management.