



TAXES ON PERA BENEFITS

INCLUDES TAX FORMS FOR FEDERAL AND
COLORADO STATE WITHHOLDING

Revised January 2024

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OVERVIEW

This booklet provides basic information about how Colorado PERA benefit recipients are affected by federal and Colorado state income tax laws and is not intended to be tax advice. If you have specific questions about your federal or Colorado state tax returns or your required withholdings, please contact the IRS (800-829-1040 or [irs.gov](https://www.irs.gov)), the Colorado Department of Revenue (303-238-7378 or colorado.gov/tax), or consult with a tax professional.

FEDERAL INCOME TAX

PERA benefits are subject to federal income tax. The taxable amount of your benefit will depend upon the tax-paid and tax-deferred balances in your member contribution account at retirement.

- » Under the PERA benefit structure, the tax-paid balance in your member contribution account is based on your member contributions made before July 1, 1984, and any tax-paid money you used to purchase service credit.
- » Under the Denver Public Schools (DPS) benefit structure, the tax-paid balance in your member contribution account is based on your member contributions made before January 1, 1986, and any tax-paid money you used to purchase service credit.

Since these amounts were previously taxed, they reduce the taxable portion of your benefit.

▶ Answers to frequently asked questions about federal taxes are available in IRS Publication 4190, *Tax Guide for the Retiree*. Visit irs.gov to view a copy or request a copy be mailed to you by calling 800-829-3676.

Tax law provides for a variety of methods to determine how those previously-taxed contributions are reportable. PERA uses the IRS’s “Simplified Method” to calculate the nontaxable portion of your benefit. Basically, the nontaxable dollars are prorated over a specific number of payments as shown in the following IRS tables and the nontaxable amount is disclosed annually on your 1099-R. For additional information, contact the IRS for a copy of Publication 575, *Pension and Annuity Income*.

PERA OPTION 1 AND DPS OPTIONS A OR B For benefits effective December 1, 1996, or later

Age at Retirement	Number of Payments
55 and under	360
56 to 60	310
61 to 65	260
66 to 70	210
71 and over	160

PERA OPTIONS 2 OR 3 AND DPS OPTIONS P2 OR P3

For benefits effective on or after January 1, 1998

Combined Ages*	Number of Payments
110 and under	410
111 to 120	360
121 to 130	310
131 to 140	260
141 and over	210

* Combined ages of retiree and cobeneficiary on effective date of retirement.

DISABILITY RETIREMENT

If you are receiving a disability retirement benefit, your entire benefit is taxable until you reach “minimum retirement age.” PERA uses the age at which you would first be eligible for reduced service retirement as “minimum retirement age.” For many disability retirees, service credit is projected to 20 years, thus minimum retirement age is 55. Once the minimum age is met, tax-deferred contributions are calculated based on the “Simplified Method” as described above.

If you are under age 65 and totally disabled, you may be eligible for a special federal income tax credit. To determine if you qualify for the credit, contact the IRS and request a copy of Schedule “R” (Form 1040) and Publication 524, *Credit for the Elderly or the Disabled*.

SURVIVOR BENEFITS

If you are a surviving spouse receiving a benefit, PERA calculates the tax-free portion of your benefit, if any, using the “Simplified Method.”

If you are receiving a child(ren)’s survivor benefit, your tax professional would calculate cost recovery, if any, under the IRS’s “General Rule.”

Surviving spouses and qualified children who receive survivor benefits based upon the death of a public safety officer who was killed in the line of duty may be exempt from federal income tax. Consult a tax professional to determine if you qualify for this exemption under Section 101(h) of the Internal Revenue Code. If you qualify for this exemption, please contact PERA so your withholding and tax reporting can be adjusted. PERA may request you submit documentation to demonstrate that you qualify for this exemption.

FEDERAL WITHHOLDING CHOICES

Using the IRS Form W-4P, you will instruct PERA to withhold taxes based upon your current filing status and total income. If PERA calculates your withholding, your taxable benefit (not your gross benefit) will be used in the calculation. If you are the recipient of multiple PERA benefits, your designations on the IRS Form W-4P will be applied to all benefits you receive unless you notify PERA in writing of which benefits the withholding designations should be applied.

You may instruct PERA to do one of the following:

- » Withhold no federal tax from your benefit. If you choose this option, you may be responsible for paying estimated taxes.
- » Withhold federal tax based on your current filing status and the amount of total income you receive from all income sources. The calculated amount will be rounded to the nearest whole dollar.
- » Calculate your withholding and withhold an additional flat dollar amount. The calculated portion of your withholding will be rounded to the nearest whole dollar before the additional dollar amount is added.

If you do not provide instructions, federal law requires PERA to withhold federal income tax at a rate of single filing status with no adjustments. This means your taxes will be withheld at the highest withholding amount and based on your benefit only.

Although you may request that PERA not withhold any income tax from your benefit, this does not mean your benefit will not be subject to taxes.

You should examine your withholding periodically to make sure you have enough taxes withheld so you will not have a tax penalty, or you may be responsible for the payment of estimated tax.

FEDERAL TAX WITHHOLDING FOR BENEFIT RECIPIENTS WITH FOREIGN ADDRESSES

If your address is outside of the U.S., you must complete one of the following forms for federal income tax withholding:

- » If you are a U.S. citizen (even though you reside outside of the U.S.) you must provide to PERA an IRS Form W-9, *Request for Taxpayer Identification Number and Certification*.
- » If you are a foreign person (a nonresident alien), you must provide to PERA a signed statement verifying the country of your current citizenship and the country of your current residence, and an IRS Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting*, to provide the following information:
 - Establish that you are a foreign person;
 - Claim that you are the beneficial owner of the income for which Form W-8BEN is being provided; and
 - Claim a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the U.S. has an income tax treaty (if applicable).
- » If federal withholding is required to be taken from your monthly benefit, the calculated amount will be rounded to the nearest whole dollar.

Additional information is available from the IRS (800-829-1040 or irs.gov) in Publication 519, *U.S. Tax Guide for Aliens*, and Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

If PERA does not receive either the Form W-9 or the signed statement and Form W-8BEN, PERA is required by law to withhold 30% from any benefit payments you are to receive. If you have any questions about your tax status, please contact your tax professional.

RETIRED PUBLIC SAFETY OFFICERS

The Pension Protection Act of 2006 permits eligible retired public safety officers to exclude up to \$3,000 of their qualified health insurance premiums from their gross federal taxable income each year, as long as the premiums are deducted from their retirement benefits. According to federal requirements, it is the responsibility of the retiree or benefit recipient to claim the exclusion for premium payments that were subtracted from their PERA benefit as a reduction in taxable income on their IRS Form 1040. The IRS Form 1099-R that is sent to the retiree or benefit recipient does not reflect this exclusion. PERA encourages the retiree or benefit recipient to consult with a tax professional or the IRS with questions about this deduction.

COLORADO STATE INCOME TAX

PERA can withhold Colorado state income tax if you request it. PERA does not withhold taxes for any other state.

Withholding for Colorado state income tax may not be necessary if your primary residence is outside the state of Colorado, or if your taxable pension income is less than \$20,000 (\$24,000 if you are age 65 or older), and you have little to no other taxable income.

Colorado law excludes from Colorado state income tax total pension income up to \$20,000 per year per person for those retirees age 55 through 64, or \$24,000 for those retirees age 65 and over. The retiree's age on December 31 is used to determine the exclusion amount for that year. Pension income includes both PERA and DPS benefit structure benefits, Social Security payments, certain other retirement pensions, and distributions from Individual Retirement Accounts and tax-deferred savings plans. *You also qualify for the pension exclusion if you are receiving a survivor benefit, regardless of your age.* Additional information on the pension exclusion is available from the Colorado Department of Revenue, in the publication, *Income Tax Topics: Social Security, Pensions, and Annuities*.

- ▶ If you have specific questions regarding your state income tax return, contact the Colorado Department of Revenue (303-238-7378 or colorado.gov/tax) or consult with a tax professional.

CONTRIBUTIONS BETWEEN 1984 AND 1986

Under the PERA benefit structure, during the period of July 1, 1984, through December 31, 1986, your contributions were tax-deferred for federal income tax purposes, but were taxable for Colorado state income tax purposes.

Under the DPS benefit structure, during the period of January 1, 1986, through December 31, 1986, your contributions were tax-deferred for federal income tax purposes, but were taxable for Colorado state income tax purposes.

Because of this difference, Colorado allows a one-time additional exclusion beyond the \$20,000 (or \$24,000 if you are age 65 or older) in calculating your state income taxes if you made contributions during that period. This adjustment will only affect you if your taxable pension income exceeds \$20,000 (or \$24,000 if you are age 65 or older).

Full details and the required worksheets are available from the Colorado Department of Revenue (303-238-7378 or colorado.gov/tax) in the publication, *Income Tax Topics: Social Security, Pensions, and Annuities*.

STATE WITHHOLDING CHOICES

If you instruct PERA to withhold Colorado state income tax, PERA will use your total annual PERA benefit amount to calculate your state withholding along with the current Colorado state tax percentage. For calculated withholding, you will choose between Colorado state tax determined by subtracting the amount of the pension exclusion, or without subtracting the amount of the exclusion. For example, if your benefit is \$36,000 and you are age 65 or older, PERA can either subtract the \$24,000 pension exclusion, and calculate withholding on the remaining \$12,000, or PERA can calculate withholding on the full \$36,000, without removing the pension exclusion. In all cases, Colorado state tax withholding is rounded to the nearest whole dollar.

Your current filing status and the taxable amount of your annual PERA benefit income will be used to calculate state withholding.

You may instruct PERA to do one of the following:

- » Withhold no Colorado state income tax from your benefit.
- » Calculate Colorado state tax, with or without the pension exclusion.
- » Calculate Colorado state tax, with or without the pension exclusion, plus withhold an additional flat dollar amount.

If you do not complete and submit the *Colorado State Withholding Form* (included in this booklet or available to complete when logged in to your PERA account), PERA will not withhold any Colorado taxes from your benefit.

- ▶ If you have Colorado state income taxes deducted from your benefit and later move out of state, and no longer wish to have Colorado state income taxes deducted, you must instruct PERA to stop withholding state income taxes. PERA will not automatically stop withholding based on a new address.

TAX REPORTING

Each year, PERA will send you an IRS Form 1099-R by January 31. This form is similar to the W-2 you received as an employee and includes the following information:

- » Total benefits you received for the year.
- » Total benefits that are taxable.
- » Taxes withheld for the year.

- ▶ Prior to the mailing, 1099-Rs will be available to view online by logging in to your PERA account at copera.org.

SETTING UP YOUR WITHHOLDING

If you are a new retiree, you should complete and return your tax documents to PERA by the 15th of the month in which your first benefit payment will be issued. For most retiring members, this would be the month in which your retirement is effective. You should return the IRS Form W-4P and, if it applies to you, the *Colorado State Withholding Form* (both included in this booklet). You may also complete these forms online at copera.org using your User ID and password.

Without instructions from you, federal law requires PERA to withhold federal income tax at a filing status of single with no adjustments and no state withholding will be taken.

CHANGING YOUR WITHHOLDING

You can change your withholding status at any time. PERA must receive your instructions by the 15th of the month in which you want the change to be effective. Use the attached forms or complete the applicable forms online using your User ID and password.

Taxes withheld cannot be refunded later by PERA. If you have too much withheld during the year, you must file a tax return to receive a refund from the IRS or the Colorado Department of Revenue.

- ▶ Even though PERA may withhold taxes from your benefit, you are responsible for any taxes owed to the IRS and/or to the state in which you reside.

IMPORTANT INFORMATION ABOUT COMPLETING WITHHOLDING FORMS

Please complete the information on the W-4P and *Colorado State Withholding Form* exactly as indicated and do not modify or write in alternative instructions. Any information not completed as specified on these forms may delay the processing of your withholding information.



Withholding Certificate for Periodic Pension or Annuity Payments

2024

Give Form W-4P to the payer of your pension or annuity payments.

Step 1:
Enter Personal Information

(a) First name and middle initial	Last name	(b) Social security number
Address		
City or town, state, and ZIP code		
(c) <input type="checkbox"/> Single or Married filing separately		
<input type="checkbox"/> Married filing jointly or Qualifying surviving spouse		
<input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See pages 2 and 3 for more information on each step, when to use the estimator at www.irs.gov/W4App, and how to elect to have no federal income tax withheld (if permitted).

Step 2:
Income From a Job and/or Multiple Pensions/Annuities (Including a Spouse's Job/Pension/Annuity)

Complete this step if you (1) have income from a job or more than one pension/annuity, or (2) are married filing jointly and your spouse receives income from a job or a pension/annuity. **See page 2 for examples on how to complete Step 2.**

Do **only one** of the following.

(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4). If you or your spouse have self-employment income, use this option; **or**

(b) Complete the items below.

(i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter “-0-” . . . \$ _____

(ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter “-0-” . . . \$ _____

(iii) Add the amounts from items (i) and (ii) and enter the **total** here . . . \$ _____

TIP: To be accurate, submit a new Form W-4P for all other pensions/annuities if you haven't updated your withholding since 2021 or this is a new pension/annuity that pays less than the other(s). Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019.

Complete Steps 3–4(b) on this form only if (b)(i) is blank **and** this pension/annuity pays the most annually. Otherwise, do not complete Steps 3–4(b) on this form.

Step 3: Claim Dependent and Other Credits	If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
	Multiply the number of qualifying children under age 17 by \$2,000	\$ _____	
	Multiply the number of other dependents by \$500	\$ _____	
	Add other credits, such as foreign tax credit and education tax credits	\$ _____	
	Add the amounts for qualifying children, other dependents, and other credits and enter the total here		3 \$ _____

Step 4 (optional): Other Adjustments	(a) Other income (not from jobs or pension/annuity payments). If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends . . .	4(a)	\$ _____
	(b) Deductions. If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b)	\$ _____
	(c) Extra withholding. Enter any additional tax you want withheld from each payment . . .	4(c)	\$ _____

Step 5:
Sign Here

Your signature (This form is not valid unless you sign it.)	Date
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General Instructions

Section references are to the Internal Revenue Code.

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. Complete Form W-4P to have payers withhold the correct amount of federal income tax from your periodic pension, annuity (including commercial annuities), profit-sharing and stock bonus plan, or IRA payments. Federal income tax withholding applies to the taxable part of these payments. Periodic payments are made in installments at regular intervals (for example, annually, quarterly, or monthly) over a period of more than 1 year. Don't use Form W-4P for a nonperiodic payment (note that distributions from an IRA that are payable on demand are treated as nonperiodic payments) or an eligible rollover distribution (including a lump-sum pension payment). Instead, use Form W-4R, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions, for these payments/distributions. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

Choosing not to have income tax withheld. You can choose not to have federal income tax withheld from your payments by writing "No Withholding" on Form W-4P in the space below Step 4(c). Then, complete Steps 1a, 1b, and 5. Generally, if you are a U.S. citizen or a resident alien, you are not permitted to elect not to have federal income tax withheld on payments to be delivered outside the United States and its territories.

Caution: 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. If your tax situation changes, or you chose not to have federal income tax withheld and you now want withholding, you should submit a new Form W-4P.

When to use the estimator. Consider using the estimator at www.irs.gov/W4App if you:

1. Have social security, dividend, capital gain, or business income, or are subject to the Additional Medicare Tax or Net Investment Income Tax; or
2. Receive these payments or pension and annuity payments for only part of the year.

Self-employment. Generally, you will owe both income and self-employment taxes on any self-employment income you (or you and your spouse) receive. If you do not have a job and want to pay these taxes through withholding from your payments, use the estimator at www.irs.gov/W4App to figure the amount to have withheld.

Payments to nonresident aliens and foreign estates. Do not use Form W-4P. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, write "No Withholding" in the space below Step 4(c). See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Step 1(c). Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

Step 2. Use this step if you have at least one of the following: income from a job, income from more than one pension/annuity, and/or a spouse (if married filing jointly) that receives income from a job/pension/annuity. The following examples will assist you in completing Step 2(b).

Example 1. Bob, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Bob also has a job that pays \$25,000 a year. Bob has no other pensions or annuities. Bob will enter \$25,000 in Step 2(b)(i) and in Step 2(b)(iii).

If Bob also has \$1,000 of interest income, which he entered on Form W-4, Step 4(a), then he will instead enter \$26,000 in Step 2(b)(i) and in Step 2(b)(iii). He will make no entries in Step 4(a) on this Form W-4P.

Example 2. Carol, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Carol does not have a job, but she also receives another pension for \$25,000 a year (which pays less annually than the \$50,000 pension). Carol will enter \$25,000 in Step 2(b)(ii) and in Step 2(b)(iii).

If Carol also has \$1,000 of interest income, then she will enter \$1,000 in Step 4(a) of this Form W-4P.

Example 3. Don, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Don does not have a job, but he receives another pension for \$75,000 a year (which pays more annually than the \$50,000 pension). Don will not enter any amounts in Step 2.

If Don also has \$1,000 of interest income, he won't enter that amount on this Form W-4P because he entered the \$1,000 on the Form W-4P for the higher paying \$75,000 pension.

Example 4. Ann, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Ann also has a job that pays \$25,000 a year and another pension that pays \$20,000 a year. Ann will enter \$25,000 in Step 2(b)(i), \$20,000 in Step 2(b)(ii), and \$45,000 in Step 2(b)(iii).

If Ann also has \$1,000 of interest income, which she entered on Form W-4, Step 4(a), she will instead enter \$26,000 in Step 2(b)(i), leave Step 2(b)(ii) unchanged, and enter \$46,000 in Step 2(b)(iii). She will make no entries in Step 4(a) of this Form W-4P.

If you are married filing jointly, the entries described above do not change if your spouse is the one who has the job or the other pension/annuity instead of you.



Multiple sources of pensions/annuities or jobs. If you (or if married filing jointly, you and/or your spouse) have a job(s), do NOT complete Steps 3 through 4(b) on Form W-4P. Instead, complete Steps 3 through 4(b) on the Form W-4 for the job. If you (or if married filing jointly, you and your spouse) do not have a job, complete Steps 3 through 4(b) on Form W-4P for **only** the pension/annuity that pays the most annually. Leave those steps blank for the other pensions/annuities.

Step 3. This step provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, 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 social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 501, Dependents, Standard Deduction, and Filing Information. You can also include **other tax credits** for which you are eligible in this step, such as the foreign tax credit and the education tax credits. Including these credits will increase your payments and reduce the amount of any refund you may receive when you file your tax return.

Step 4 (optional).

Step 4(a). Enter in this step the total of your other estimated income for the year, if any. You shouldn't include amounts from any job(s) or pension/annuity payments. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than

Specific Instructions *(continued)*

having tax on other income withheld from your pension, see Form 1040-ES, Estimated Tax for Individuals.

Step 4(b). Enter in this step the amount from the Deductions Worksheet, line 6, if you expect to claim deductions other than the basic standard deduction on your 2024 tax return and want to reduce your withholding to account for these deductions.

This includes itemized deductions, the additional standard deduction for those 65 and over, and other deductions such as for student loan interest and IRAs.

Step 4(c). Enter in this step any additional tax you want withheld from **each payment**. Entering an amount here will reduce your payments and will either increase your refund or reduce any amount of tax that you owe.

Note: If you don't give Form W-4P to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer will withhold tax from your payments as if your filing status is single with no adjustments in Steps 2 through 4. For payments that began before 2024, your current withholding election (or your default rate) remains in effect unless you submit a new Form W-4P.

Step 4(b)—Deductions Worksheet *(Keep for your records.)*



1	Enter an estimate of your 2024 itemized deductions (from Schedule A (Form 1040)). Such deductions may include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 7.5% of your income	1	\$ _____			
2	Enter: <table style="display: inline-table; vertical-align: middle;"> <tr> <td style="font-size: 3em; vertical-align: middle;">{</td> <td style="padding: 0 10px;"> <ul style="list-style-type: none"> • \$29,200 if you're married filing jointly or a qualifying surviving spouse • \$21,900 if you're head of household • \$14,600 if you're single or married filing separately </td> <td style="font-size: 3em; vertical-align: middle;">}</td> </tr> </table>	{	<ul style="list-style-type: none"> • \$29,200 if you're married filing jointly or a qualifying surviving spouse • \$21,900 if you're head of household • \$14,600 if you're single or married filing separately 	}	2	\$ _____
{	<ul style="list-style-type: none"> • \$29,200 if you're married filing jointly or a qualifying surviving spouse • \$21,900 if you're head of household • \$14,600 if you're single or married filing separately 	}				
3	If line 1 is greater than line 2, subtract line 2 from line 1 and enter the result here. If line 2 is greater than line 1, enter "-0-"	3	\$ _____			
4	If line 3 equals zero, and you (or your spouse) are 65 or older, enter: <ul style="list-style-type: none"> • \$1,950 if you're single or head of household. • \$1,550 if you're married filing separately. • \$1,550 if you're a qualifying surviving spouse or you're married filing jointly and one of you is under age 65. • \$3,100 if you're married filing jointly and both of you are age 65 or older. Otherwise, enter "-0-". See Pub. 505 for more information	4	\$ _____			
5	Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments (from Part II of Schedule 1 (Form 1040)). See Pub. 505 for more information	5	\$ _____			
6	Add lines 3 through 5. Enter the result here and in Step 4(b) on Form W-4P	6	\$ _____			

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request federal income tax withholding from pension or annuity payments based on your filing status and adjustments; (b) request additional federal income tax withholding from your pension or annuity payments; (c) choose not to have federal income tax withheld, when permitted; or (d) change a previous Form W-4P. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s). Failure to provide a properly completed form will result in your being treated as a single person with no other entries on the form; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may

also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.



Colorado State Withholding Form

Colorado Public Employees' Retirement Association
PO Box 5800, Denver, Colorado 80217-5800
800-759-PERA (7372) • Fax: 303-863-3727 • copera.org



Your SSN

Three groups of boxes for entering the Social Security Number: three individual boxes, two individual boxes, and four individual boxes.

Complete this form and send to Colorado PERA at the address or fax number above if you are a PERA benefit recipient and want to set up or change your income tax withholding. Correctly completed forms received at PERA by the 15th of the month will be effective for that month. **This form can also be completed online at www.copera.org using your User ID and password.**

» If you receive more than one PERA benefit, it is important to specify in the check boxes below to which account(s) these changes apply. If you have different withholding preferences for each account, you must complete a separate form for each.

To which account(s) would you like your withholding preferences to apply? (Check all that apply)

- PERA Benefit Structure Account(s): Retirement Cobeneficiary/Survivor Other: _____
- DPS Benefit Structure Account(s): Retirement Cobeneficiary/Survivor Other: _____

Your Information

Your Name _____
Last First MI

Address _____
Street, Route, or Box Number City State ZIP Code

Email Address _____ Daytime Telephone (____) _____

Sign up for electronic delivery of PERA information? Yes No

I understand that as a PERA benefit recipient, I am responsible for payment of income taxes, interest, and penalties if my federal or state income tax withholding is not sufficient. I also understand that PERA cannot refund any taxes withheld in error.

Sign Here → Signature _____ Date _____

Colorado State Income Tax Withholding (Check one)

PERA does not withhold taxes for any other states.

If you have Colorado state income taxes deducted and move out of state, PERA will not automatically stop withholding Colorado state income taxes. You must instruct PERA to stop deducting these taxes. All withheld Colorado state income tax is rounded to the nearest whole dollar.

If your primary residence is outside the state of Colorado, you do not need to withhold Colorado state income taxes.

Colorado tax filing status:

- Single or Married filing separately
 - Married filing jointly or Qualifying surviving spouse
 - Head of household
1. Do not withhold Colorado state income tax.
 2. Calculate my Colorado state income tax withholding using the Colorado tax percentage:
 - Without subtracting** the pension exclusion (\$20,000 or \$24,000) from my benefit amount. *See page 3.*
(Optional) Withhold the calculated amount plus \$ _____ from my monthly benefit.
 - Subtract** the pension exclusion (\$20,000 or \$24,000). *See page 3.*
(Optional) Withhold the calculated amount plus \$ _____ from my monthly benefit.



Contact PERA



Visit PERA's website at copera.org.



Call PERA's Customer Service Center
at 800-759-7372.



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Forms and publications can be found on
PERA's website. Copies can also be requested
by calling PERA's Customer Service Center.

This booklet provides general information about taxes on PERA benefits. Specific questions about your taxes should be directed to the IRS or to your personal tax consultant. PERA staff members cannot provide tax advice. Your rights, benefits, and obligations as a PERA member or benefit recipient are governed by Title 24, Article 51 of the Colorado Revised Statutes, and the Rules of the Colorado Public Employees' Retirement Association, which take precedence over any interpretations in this booklet.