



IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM  
1221 State Street, El Centro, CA 92243  
(442) 265-7550

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

<https://icers.imperialcounty.org>

December 31, 2022

RE: Imperial County Employee's Retirement System – Tax Withholding Changes

Dear Retiree/Beneficiary:

You are receiving this notice because our records indicate you are currently receiving monthly retirement benefits from the Imperial County Employees' Retirement System ("ICERS").

We would like to inform you that the Internal Revenue Service ("IRS") has revised the income tax withholding rules applicable to periodic payments made from a retirement system. ICERS is required to use the IRS's redesigned Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments ("Form W-4P") to implement the IRS's new withholding rules. The redesigned Form W-4P is intended to help retirees and beneficiaries withhold federal income taxes from their retirement benefits at a rate that is more likely to avoid excessively large final tax payments when they file their income tax returns. The revised withholding rules apply to changes you may make to the amount of federal income tax withholding on your ICERS benefits on or after January 1, 2023.

We are providing a copy of the redesigned Form W-4P to all retired members and beneficiaries currently receiving periodic payments from ICERS.

In addition to Federal IRS guidelines, if you are a California resident, you are subject to the California income tax withholding, unless you elect not to have withholding apply. You may elect not to have California State withholding apply to your pension payments by checking the appropriate box on the enclosed California Withholding Certificate for Pension and Annuity Payments ("Form DE-4P"), and returning it to ICERS. Regardless of whether you are a California resident, your pension payments may be subject to California income taxes. Please contact your tax advisor for more details about any such obligation.

**You are not required to make any changes to your existing federal and/or California State income tax withholding election at this time. Your previous tax withholding elections will remain in effect. However, any future changes you wish to make to the amount of federal income tax withholding and/or California State income tax withholding on your ICERS benefits must be made using the IRS redesigned Form W-4P and/or California Form DE-4P. If you do not wish to make changes to your federal income tax withholding, you do not need to complete the enclosed tax forms. ICERS must receive your completed form(s) no later than the 15th of the month in which you wish the change to take effect. Any changes (including an election of no withholding) will be prospective only, and any election made after a payment or distribution has been made will not apply to a prior payment or distribution.**

# ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

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1221 State Street, El Centro, CA 92243  
(442) 265-7550

If you have any general questions about your current withholding elections, you can contact ICERS at 442-265-7550 or email at [icers@co.imperial.ca.us](mailto:icers@co.imperial.ca.us).

Please contact your qualified tax advisor or the IRS for specific questions about your tax and/or withholding obligations.

Sincerely,



Scott W. Jarvis  
Retirement Administrator

Encls.

Federal Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments  
California Form DE-4P, Withholding Certificate for Pension and Annuity Payments



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## **INCOME TAX WITHHOLDING NOTICE**

The pension payment you receive from the Imperial County Employees' Retirement System ("ICERS") is subject to Federal and California State Income Tax withholding, unless you elect not to have withholding apply. Withholding will only apply to the portion of your pension payment that is already included in your income subject to Federal or California State income tax (as applicable) and will be like wage withholding. Therefore, there will be no withholding on the return of your own non-deductible contributions to ICERS. You may elect not to have Federal withholding apply to your pension payments by electing "No Withholding" on the enclosed Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments ("Form W-4P") and returning it to the address listed below.

If you are a California resident, you are subject to the California income tax withholding, unless you elect not to have withholding apply. You may elect not to have California State withholding apply to your pension payments by checking the appropriate box on the enclosed California Withholding Certificate for Pension and Annuity Payments ("Form DE-4P") and returning it to the address listed below. Regardless of whether you are a California resident, your pension payments may be subject to California income taxes. Please contact your tax advisor for more details about any such obligation.

Your Federal and State elections will remain in effect until you change or revoke them. You may change or revoke either election at any time by completing a new Form W-4P or DE-4P, as applicable, and returning the form to ICERS at the address listed below. ICERS must receive your completed form(s) no later than the 15th of the month in which you wish the change to take effect. Any changes (including an election of no withholding) will be prospective only, and any election made after a payment or distribution has been made will not apply to a prior payment or distribution. You may make changes to your elections, including an election to not have withholding apply, as often as you wish. Additional copies of Form W-4P and Form DE-4P may be obtained from ICERS.

If you do not return your election forms by the 15th of the month in which you are to receive your first payment, Federal income tax will be withheld from the taxable portion of your pension as if you are single claiming zero adjustments, and California State income tax will be withheld as if you were a married individual claiming three withholding allowances.

If you elect not to have withholding apply to your pension payments, or if you do not have enough income tax withheld from your pension payments, you may be responsible for making estimated Federal and/ or California State income tax payments. You may incur Federal and/or State penalties under the estimated tax rules if your withholding and/or estimated tax payments are not sufficient.

If you have any general questions about Form W-4P or Form DE-4P, you can contact:

ICERS  
1221 W. State Street  
El Centro, CA 92243  
442-265-7550

Please contact your qualified tax advisor for specific questions about your tax and/or withholding obligations.

Encls.

Federal Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments  
California Form DE-4P, Withholding Certificate for Pension and Annuity Payments

## Withholding Certificate for Periodic Pension or Annuity Payments

2022

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

<b>Step 1:</b> <b>Enter Personal Information</b>	(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 widow(er) <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 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) Reserved for future use.

(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 2022 Form W-4P for all other pensions/annuities. Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019. If you have self-employment income, see page 2.

If (b)(i) is blank and this pension/annuity pays the most annually, complete Steps 3-4(b) on this form. Otherwise, do not complete Steps 3-4(b) on this form.

<b>Step 3: Claim Dependent and Other Credits</b>	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 . . . . .	<b>3</b>	\$ _____

<b>Step 4 (optional): Other Adjustments</b>	(a) <b>Other income (not from jobs or pension/annuity payments).</b> 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 . . .		<b>4(a)</b> \$ _____
	(b) <b>Deductions.</b> 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 . . . . .		<b>4(b)</b> \$ _____
	(c) <b>Extra withholding.</b> Enter any additional tax you want withheld from <b>each</b> payment . . .		<b>4(c)</b> \$ _____

**Step 5: Sign Here**

▶ \_\_\_\_\_ ▶ \_\_\_\_\_

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

## 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](http://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 possessions.

**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 choose not to have federal income tax withheld and you now want withholding, you should submit a new Form W-4P.

**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, you should enter the self-employment income in Step 4(a). Then compute your self-employment tax, divide that tax by the number of payments remaining in the year, and include that resulting amount per payment in Step 4(c). You can also add half of the annual amount of self-employment tax to Step 4(b) as a deduction. To calculate self-employment tax, you generally multiply the self-employment income by 14.13% (this rate is a quick way to figure your self-employment tax and equals the sum of the 12.4% social security tax and the 2.9% Medicare tax multiplied by 0.9235). See Pub. 505 for more information, especially if your self-employment income multiplied by 0.9235 is over \$147,000.

**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.

**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.

## Specific Instructions *(continued)*

### 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 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 2022 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 2022, 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.)*



<b>1</b>	Enter an estimate of your 2022 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 . . . . .	<b>1</b>	\$ _____			
<b>2</b>	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"> <li>• \$25,900 if you're married filing jointly or qualifying widow(er)</li> <li>• \$19,400 if you're head of household</li> <li>• \$12,950 if you're single or married filing separately</li> </ul> </td> <td style="font-size: 3em; vertical-align: middle;">}</td> </tr> </table> . . . . .	{	<ul style="list-style-type: none"> <li>• \$25,900 if you're married filing jointly or qualifying widow(er)</li> <li>• \$19,400 if you're head of household</li> <li>• \$12,950 if you're single or married filing separately</li> </ul>	}	<b>2</b>	\$ _____
{	<ul style="list-style-type: none"> <li>• \$25,900 if you're married filing jointly or qualifying widow(er)</li> <li>• \$19,400 if you're head of household</li> <li>• \$12,950 if you're single or married filing separately</li> </ul>	}				
<b>3</b>	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-" . . . . .	<b>3</b>	\$ _____			
<b>4</b>	If line 3 equals zero, and you (or your spouse) are 65 or older, enter: <ul style="list-style-type: none"> <li>• \$1,750 if you're single or head of household.</li> <li>• \$1,400 if you're a qualifying widow(er) or you're married and one of you is under age 65.</li> <li>• \$2,800 if you're married and both of you are age 65 or older.</li> </ul> Otherwise, enter "-0-". See Pub. 505 for more information . . . . .	<b>4</b>	\$ _____			
<b>5</b>	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 . . . . .	<b>5</b>	\$ _____			
<b>6</b>	<b>Add</b> lines 3 through 5. Enter the result here and in <b>Step 4(b)</b> on Form W-4P . . . . .	<b>6</b>	\$ _____			

**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 possessions 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.

# Withholding Certificate for Pension or Annuity Payments

First, Middle, Last Name	Social Security Number
Home Address (Number and Street or Rural Route)	Claim or Identification Number (if any) of Your Pension or Annuity Contract
City, 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). ▶ 2a \_\_\_\_\_
  - b. Number of allowances from the Estimated Deductions (Worksheet B). ▶ 2b \_\_\_\_\_

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 2b 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, state law requires that California Personal Income Tax (PIT) be withheld from payments of pensions and annuities. The marital status and the withholding allowance claimed on your federal Form 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 PIT withholding than for federal income tax withholding.
- (2) Elect not to have California PIT withheld from your periodic, or nonperiodic, pension or annuity payments.
- (3) Elect to have California PIT 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 PIT 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 PIT 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 California withholding schedules. 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** (law.cornell.edu/uscode/text/26). Payee completes line 4 above.

**Completing the Form:** Fill in your name, address, Social Security number, and the identification number (if any) of the pension or annuity.

**Line 1, Exemption from Withholding:** Check this box if you do not want any PIT withheld from your payment. You do not have to give a reason for claiming the exemption from withholding.

**Caution:** Remember that there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. You may be able to avoid paying quarterly estimated tax to the Franchise Tax Board (FTB) by having enough tax withheld from your pension or annuity using the DE 4P.

**Revoking the Exemption from Withholding:** If you want to revoke your previously filed exemption from withholding for periodic and nonperiodic payments, file another DE 4P completing lines 1, 2, 3, or 4.

**Line 2, Withholding Based on Specified Withholding Allowances:** If you want withholding to be based on a specified number of allowances, write the number on this line and check the filing status box you want. The worksheets accompanying this form may be used to figure your withholding allowance.

**Line 3, Multiple Pensions/More than One Income:** Indicate additional amount to be withheld from each payment. You may use Worksheet C, accompanying this form, to determine the additional amount.

**Line 4, Withholding a Designated Dollar Amount:** Indicate dollar amount you want withheld on this line (in lieu of claiming withholding allowances).



### Instructions — 1 — Allowances\*

When determining your withholding allowances, you must consider your personal situation:

- Do you claim allowances for dependents or blindness?
- Will you itemize your deductions?
- Do you have more than one income coming into the household?

If you have a working spouse or more than one job or income, it would be best to figure the **total** number of allowances you are entitled to claim on all jobs using the worksheets from only one DE 4P. Allowances can then be claimed with one payer only, or split among payers.

#### Worksheet A

#### Regular Withholding Allowances

- |   |           |
|---|-----------|
| A) Allowance for yourself — enter 1   | (A) _____ |
| B) Allowance for your spouse (if not separately claimed by your spouse) — enter 1             | (B) _____ |
| C) Allowance for blindness — yourself — enter 1   | (C) _____ |
| D) Allowance for blindness — your spouse (if not separately claimed by your spouse) — enter 1 | (D) _____ |
| E) Allowance(s) for dependent(s) — do not include yourself or your spouse                     | (E) _____ |
| F) Total — add lines (A) through (E) above and enter on line 2a of the DE 4P                  | (F) _____ |

### Instructions — 2 — Additional Withholding Allowances

If you expect to itemize deductions on your California income tax return, you can claim additional withholding allowances. Use Worksheet B to determine whether your expected estimated deductions may entitle you to claim one or more additional withholding allowances. Use last year's FTB Form 540 as a model to calculate this year's withholding amounts.

You may reduce the amount of tax withheld from your wages by claiming one additional withholding allowance for each \$1,000, or fraction of \$1,000, by which you expect your estimated deductions for the year to exceed your allowable standard deduction.

#### Worksheet B

#### Estimated Deductions

- |  |              |
|--|--------------|
| 1. Enter an estimate of your itemized deductions for California taxes for this tax year as listed in the schedules in the FTB Form 540.  | 1. \$ _____  |
| 2. Enter \$9,606 if unmarried head of household or qualifying widow(er) with dependent(s);<br>\$9,606 if married filing jointly with two or more allowances;<br>\$4,803 if single, dual income, married, or married with multiple employers;<br>\$4,803 if married filing separately or married with "0" or "1" allowance. | 2. \$ _____  |
| 3. Subtract line 2 from line 1, enter difference.  | 3. \$ _____  |
| 4. Enter an estimate of your adjustments to income (alimony payments, IRA deposits).   | 4. \$ _____  |
| 5. Add line 4 to line 3 and enter the sum.   | 5. \$ _____  |
| 6. Enter an estimate of your nonwage income (dividends, interest income, alimony receipts).  | 6. \$ _____  |
| 7. If line 5 is greater than line 6 (if less, see below [go to line 9]);<br>Subtract line 6 from line 5 and, enter the difference.   | 7. \$ _____  |
| 8. Divide the amount on line 7 by \$1,000, round any fraction to the nearest whole number.<br>Enter this number on line 2b of the DE 4P. Complete Worksheet C, if needed.  | 8. _____     |
| 9. If line 6 is greater than line 5;<br>Enter amount from line 6 (nonwage income).   | 9. \$ _____  |
| 10. Enter amount from line 5 (deductions).   | 10. \$ _____ |
| 11. Subtract line 10 from line 9, enter difference.  | 11. \$ _____ |

#### Complete Worksheet C

\*Wages paid to registered domestic partners will be treated the same for state income tax purposes as wages paid to spouses for California PIT withholding and PIT wages. This law does not impact federal income tax law. A registered domestic partner means an individual partner in a domestic partner relationship within the meaning of section 297 of the **Family Code** ([leginfo.legislature.ca.gov/faces/codes.xhtml](http://leginfo.legislature.ca.gov/faces/codes.xhtml)). For more information, please call our Taxpayer Assistance Center at 1-888-745-3886.

**Worksheet C**

**Tax Withholding and Estimated Tax**

1. Enter estimate of total wages for tax year 2022. 1. \_\_\_\_\_
2. Enter estimate of nonwage income on line 6 of Worksheet B. 2. \_\_\_\_\_
3. Add line 1 and line 2 and enter the sum. 3. \_\_\_\_\_
4. Enter itemized deductions or standard deduction on line 1 or 2 of Worksheet B, whichever is largest. 4. \_\_\_\_\_
5. Enter adjustments to income on line 4 of Worksheet B. 5. \_\_\_\_\_
6. Add line 4 and line 5 and enter the sum. 6. \_\_\_\_\_
7. Subtract line 6 from line 3 and enter the difference. 7. \_\_\_\_\_
8. Figure your tax liability for the amount on line 7 by using the 2022 tax rate schedules below. 8. \_\_\_\_\_
9. Enter personal exemptions on line F of Worksheet A x \$141.90. 9. \_\_\_\_\_
10. Subtract line 9 from line 8 and enter the difference. 10. \_\_\_\_\_
11. Enter any tax credits. (See FTB Form 540) 11. \_\_\_\_\_
12. Subtract line 11 from line 10 and enter the difference. (This is your total estimated tax liability). 12. \_\_\_\_\_
13. Calculate the tax withheld and estimated to be withheld during 2022. Contact the payer to request the amount that will be withheld on your wages based on the marital status and number of withholding allowances you will claim for 2022. Multiply the estimated amount to be withheld by the number of pay periods left in the year. Add the total to the amount already withheld for 2022 13. \_\_\_\_\_
14. Subtract line 13 from line 12. Enter difference. If this is less than zero, you do not need to have additional taxes withheld 14. \_\_\_\_\_
15. Divide line 14 by the number of pay periods remaining in the year and enter this figure on line 3 of the DE 4P 15. \_\_\_\_\_

**NOTE:** Your payer is not required to withhold the additional amount requested on line 3 of your DE 4P. If your payer does not agree to withhold the additional amount, you may increase your withholdings as much as possible by using the "single" status with "zero" allowances. If the amount withheld still results in an underpayment of state income taxes, you may need to file quarterly estimates on Form 540-ES with the FTB to avoid a penalty.

*These Tables are for Calculating Worksheet C and for 2022 Only*

**Single Persons, Dual Income  
Married with Multiple Employers**

IF THE TAXABLE INCOME IS		COMPUTED TAX IS		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$9,325	1.100%	\$0	\$0.00
\$9,325	\$22,107	2.200%	\$9,325	\$102.58
\$22,107	\$34,892	4.400%	\$22,107	\$383.78
\$34,892	\$48,435	6.600%	\$34,892	\$946.32
\$48,435	\$61,214	8.800%	\$48,435	\$1,840.16
\$61,214	\$312,686	10.230%	\$61,214	\$2,964.71
\$312,686	\$375,221	11.330%	\$312,686	\$28,690.30
\$375,221	\$625,369	12.430%	\$375,221	\$35,775.52
\$625,369	\$1,000,000	13.530%	\$625,369	\$66,868.92
\$1,000,000	and over	14.630%	\$1,000,000	\$117,556.49

**Married Persons**

IF THE TAXABLE INCOME IS		COMPUTED TAX IS		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$18,650	1.100%	\$0	\$0.00
\$18,650	\$44,214	2.200%	\$18,650	\$205.15
\$44,214	\$69,784	4.400%	\$44,214	\$767.56
\$69,784	\$96,870	6.600%	\$69,784	\$1,892.64
\$96,870	\$122,428	8.800%	\$96,870	\$3,680.32
\$122,428	\$625,372	10.230%	\$122,428	\$5,929.42
\$625,372	\$750,442	11.330%	\$625,372	\$57,380.59
\$750,442	\$1,000,000	12.430%	\$750,442	\$71,551.02
\$1,000,000	\$1,250,738	13.530%	\$1,000,000	\$102,571.08
\$1,250,738	and over	14.630%	\$1,250,738	\$136,495.93

**Unmarried Head of Household**

IF THE TAXABLE INCOME IS		COMPUTED TAX IS		
OVER	BUT NOT OVER	OF AMOUNT OVER...	PLUS	
\$0	\$18,663	1.100%	\$0	\$0.00
\$18,663	\$44,217	2.200%	\$18,663	\$205.29
\$44,217	\$56,999	4.400%	\$44,217	\$767.48
\$56,999	\$70,542	6.600%	\$56,999	\$1,329.89
\$70,542	\$83,324	8.800%	\$70,542	\$2,223.73
\$83,324	\$425,251	10.230%	\$83,324	\$3,348.55
\$425,251	\$510,303	11.330%	\$425,251	\$38,327.68
\$510,303	\$850,503	12.430%	\$510,303	\$47,964.07
\$850,503	\$1,000,000	13.530%	\$850,503	\$90,250.93
\$1,000,000	and over	14.630%	\$1,000,000	\$110,477.87

**If you need more detailed information, see the instructions that came with your last California resident income tax return or call the FTB:**

**If you are calling from within the United States**  
**1-800-852-5711 (Voice)**  
**1-800-822-6268 (TTY)**

**If you are calling from outside the United States**  
**1-916-845-6500 (Not Toll Free)**

The DE 4P information is collected for purposes of administering the PIT law and under the authority of Title 22, California Code of Regulations (govt.westlaw.com/calregs/Search/Index), section 4340-1, and the California Revenue and Taxation Code (leginfo.legislature.ca.gov/faces/codes.xhtml), including section 18624. The Information Practices Act of 1977 requires that individuals be notified of how information they provide may be used. Further information is contained in the instructions that came with your last California resident income tax return.

**Example for Worksheet C for the Year 2022**

Payee estimates income from his or her pension to be \$1,500 a month and is claiming the standard deduction and single with one withholding allowance.

1. Estimate annualized income (\$1,500 a month x 12 months). Enter on line 1.	1. \$ 18,000.00
2. Estimated nonwage income.	2. \$ 8,000.00
3. Add lines 1 and 2 and enter total on line 3.	3. \$ 26,000.00
4. Enter amount for single from line 2 of Worksheet B.	4. \$ 4,803.00
5. Enter adjustments to income shown on line 4 of Worksheet B.	5. 0.00
6. Enter sum of lines 4 and 5.	6. \$ 4,803.00
7. Subtract line 6 from line 3 and enter difference on line 7.	7. \$ 21,197.00
8. Compute the tax liability for the amount on line 7. Use the 2022 tables for single from Worksheet C under the entry covering \$21,197 (over \$9,325 but not over \$22,107). Compute 2.200% of the amount over \$9,325 ( $[\$21,197 - \$9,325] \times 0.02200 = \$261.18$ ). Additional (PLUS) tax amount. <u>\$ 102.58</u> Enter the total on line 13. Total <u>\$ 363.76</u>	8. \$ 363.76
9. Enter the amount for one personal exemption on line 9 (1 x \$141.90).	9. \$ 141.90
10. Subtract line 9 from line 8 and enter the difference on line 10.	10. \$ 221.86
11. Enter any tax credits that will be allowed for 2022 (see FTB Form 540).	11. 0.00
12. Subtract line 11 from line 10 and enter the difference on line 12. This is your total estimated tax liability.	12. \$ 221.86
13. Calculate the tax withheld and estimated to be withheld during 2022. Withholding on the pension of \$1,500 a month claiming single with one withholding allowance based on the California withholding schedule for 2022 is $\$4.90 \times 12 = \$58.80$ . Enter that amount on line 13.	13. \$ 58.80
14. Subtract line 13 from line 12. Enter difference on line 14.	14. \$ 163.06
15. Divide line 14 by the number of pay periods remaining in the year. ( $\$163.06 \div 12 = \$13.59$ )	15. <u>\$ 13.59</u>

Enter \$13.59 on line 3 of the DE 4P.