Reset Form

Michigan Department of Treasury
4924 (Rev. 04-19)

MI W-4P

Withholding Certificate for Michigan Pension or Annuity Payments

INSTRUCTIONS: Use Form MI W-4P to notify pension administrators of the correct amount of Michigan income tax to withhold from your pension or annuity payment(s). You may also use this form to choose not to have any Michigan income tax withheld from your payment(s). Military pensions and pensions paid by the Railroad Retirement Board are exempt from tax and withholding.

Entities subject to Michigan taxes that disburse pension or annuity payments are required to collect withholding if the payment is expected to be taxable unless **you opt out using this form** (see instructions for line 1). Entities over which Michigan does not have jurisdiction are not required to withhold Michigan income tax from your pension or annuity payment(s). If your pension administrator does not withhold, you may need to make estimated income tax payments to avoid owing penalty and interest. For further information, see General Instructions on page two, the *Michigan Estimated Income Tax for Individuals* (MI-1040ES) or consult a tax advisor.

If you have more than one pension administrator, you will need to complete a form for each pension or annuity. If you do not file MI W-4P, the administrator may withhold even if you will not owe tax on your pension income. **See instructions on page two.**

GENERAL INFORMATION

Name	Social Security Number	
Mailing Address (Number, Street, P.O. Box)		
City	State	ZIP Code

Marital Status

☐ Single ☐ Married ☐ Married (withhold the same as "Single")

Check only ONE box. For joint filers, the age of the oldest spouse determines the age category.

☐ 1. Check here if your pension or annuity payments are not taxable or you wish to opt out. See lines 9 or 10 for additional voluntary withholding. **NOTE:** Opting out may result in a balance due on your MI-1040 as well as penalty and/or interest.

☐ 2. Check here if you (or your spouse if older) were born before 1946. See instructions for line 2.

☐ 3. Check here if you (or your spouse if older) were born during the period 1946 through 1952 (deduction is $20,000 single/$40,000 joint). See instructions for line 3.

☐ 4. Check here if you were born during the period 1946 through 1952 and your pension or retirement benefits were from employment with a governmental agency that was not covered by the Social Security Act (deduction is $35,000 single/$55,000 joint).

☐ 5. Check here if you were born after 1952, your pension or retirement benefits were from employment with a government agency that was not covered by the Social Security Act, and you were retired as of January 1, 2013 (deduction is $35,000 single/$55,000 joint).

☐ 6. Check here if you (and your spouse) were born after 1952, either you or your spouse are now age 62, and your pension or retirement benefits were from employment with a governmental agency that was not covered by the Social Security Act (deduction is $15,000).

☐ 7. Check here if you (and your spouse) were born after 1952. See instructions for line 7.

8. Enter number of personal exemptions allowed on your *Michigan Income Tax Return* (MI-1040). Do not claim more than your allowable personal exemptions on all MI W-4s (wages) or MI W-4P forms combined. 8. ________

Additional Voluntary Withholding from Pension or Annuity Payment:

9. **Voluntary percentage amount** you want withheld from each pension or annuity payment (if permitted by your pension administrator). This amount must be a percentage. 9. ________ %

10. **Voluntary dollar amount** you want withheld from each pension or annuity payment (if permitted by your pension administrator). 10. ________ 00

AUTHORIZATION

Signature	
Printed or Typed Name and Title	Date

Sign and return this completed form to the administrator of your pension or annuity. Keep a copy for your records.

Visit www.michigan.gov/taxes for additional information.

Instructions for Completing MI W-4P, *Withholding Certificate for Michigan Pension or Annuity Payments*

General Instructions

Significant income tax changes took effect in 2012 and going forward. As a result, your pension payment may be subject to tax and an underpayment may result if the incorrect amount of tax is withheld. These changes may result in a balance due if the incorrect amount is withheld from pension or annuity payment(s). Caution: Some benefits do not meet the definition of "pension and retirement benefits" under Michigan's individual income tax laws and are not eligible for subtraction on your Michigan income tax return. Visit www.michigan.gov/taxes for additional information. For these instructions the words "retirement benefits" mean pensions, annuities, and other retirement benefits.

For joint filers, the age of the oldest spouse determines the age category.

Taxpayers born before 1946 may deduct all retirement benefits paid from public employment and retirement benefits from private plans up to $52,808 on a single return or $105,615 on a joint return.

For tax year 2019, recipients born during the period January 1, 1946 through December 31, 1952, are eligible to deduct $20,000 against all income, not just retirement benefits. If the recipient will be filing a joint return and the older spouse was born during the period detailed above, the deduction is $40,000 against all income. Recipients born during the period January 1, 1946 through December 31, 1952, may continue to use the MI W-4P so that they have the appropriate amount withheld from their income.

Recipients born after 1952 may not deduct retirement benefits on the *Michigan Income Tax Return* (MI-1040). For exceptions see lines 5 and 6.

Multiple pensions: If you (and your spouse) receive multiple pension payments, your withholding on those payments may not cover your entire tax liability. Married couples where each spouse receives retirement benefits may choose to have withholding calculated as if each was single on the MI W-4P and select one personal exemption in order to have sufficient withholding to cover the tax liability. Taxpayers with multiple pensions may need to make quarterly estimated payments (MI-1040ES) or consult a tax advisor to ensure the proper amount is withheld or paid through estimated payments.

Estimated Payments: There are penalties for not paying enough state income tax during the year, either through withholding or estimated tax payments. Taxpayers who choose not to have tax withheld from their retirement benefits may be required to make estimated tax payments. Refer to Form MI-1040ES for estimated tax requirements.

When should I complete this form? Complete Form MI W-4P and give it to the administrator of your retirement benefits as soon as possible.

Your tax situation may change from year to year; you may want to evaluate your withholding each year. You can change the amount to be withheld by submitting an updated Form MI W-4P to your pension administrator at any time.

Is every pension administrator required to withhold Michigan tax? Only companies over which Michigan has taxing jurisdiction are required to withhold Michigan tax from your retirement benefits. If your pension administrator does not fall under Michigan jurisdiction, you may request to have Michigan tax withheld, but the company is not required to do so. If no taxes are withheld from your payments, it is likely you will be required to make estimated payments in place of the withholding. Contact your pension and/or annuity administrator to verify whether tax will be withheld from your payments.

Line-by-Line Instructions

Line 1: You may opt out of withholding tax from your retirement benefits if you believe you will not have a balance due on your MI-1040. If you (and your spouse) opt to have no Michigan tax withheld from your retirement benefits by checking the box on line 1, it may result in a balance due on your MI-1040 as well as penalty and/or interest.

Line 2: If you (or your spouse) were born prior to 1946, all qualified benefits from public sources are exempt and qualified benefits from private sources may be subtracted up to $52,808 for a single filer or married filer filing separately or $105,615 if married filing a joint return for the 2019 tax year. In addition, benefits that will be rolled into another qualified plan or IRA will not be taxable if the amount rolled over is not included in federal adjusted gross income (AGI). Any private retirement benefits in excess of the limits above are taxable.

Line 3: If you, or your spouse if your spouse is older than you, were born during the period January 1, 1946 through December 31, 1952, you may deduct the Michigan standard deduction equal to $20,000 ($40,000 on a joint return) from your taxable income. Benefits in excess of these limits are taxable.

Line 4: The Michigan standard deduction for those born during the period January 1, 1946 through December 31, 1952, is increased by $15,000 if you received retirement benefits from employment with a governmental entity that was exempt from the Social Security Act. Therefore, the first $35,000 for a single filer or $55,000 for joint filers may be subtracted from Michigan taxable income.

Line 5: If you were born after 1952, received retirement benefits from employment with a government agency not covered by the Social Security Act, and were retired as of January 1, 2013, the first $35,000 for single filers or $55,000 for joint filers of all retirement benefits may be subtracted from Michigan taxable income.

Line 6: If you were born after 1952, have reached age 62, and received retirement benefits from employment with a governmental agency that was exempt from the Social Security Act, the first $15,000 of retirement benefits may be subtracted from Michigan taxable income.

Line 7: If you (and your spouse) were born after 1952 and lines 5 and 6 do not apply, all private and public retirement benefits are fully taxable and may not be subtracted from Michigan taxable income.

Line 8: Enter personal exemptions you are claiming for withholding. Do not claim more than your allowable personal exemptions on all MI W-4s (wages) or MI W-4P forms combined.

Line 9: You may designate additional withholding if you expect to owe more than the amount withheld. The amount on line 9 must be a percentage. Check with your pension administrator to see if they permit additional withholding.

Line 10: If allowed by your pension administrator, you may enter an additional dollar amount to be withheld from each payment.

Failure to have sufficient tax withheld from your retirement benefits may result in a balance due on your MI-1040 as well as penalty and/or interest.