



INSTRUCTIONS REGARDING FEDERAL AND STATE INCOME TAX WITHHOLDING ON RETIREMENT INCOME

You may elect to have federal and/or California income taxes withheld from your monthly VCERA benefit at whatever rate you choose. You may elect one of the following options: 1) no tax withholding, 2) withholding based on federal and state tax tables, and/or 3) withholding a specific dollar amount.

To make an election, complete the *Federal and California State Tax Withholding Request Form* on the next page and return it to VCERA. The form includes separate sections for making federal withholding and State of California withholding elections. **Generally, VCERA retirees residing outside California may not be required to pay California state tax on their monthly benefits.** Please consult with your tax advisor to determine the California taxability of your retirement benefit.

If you do not file this election form with your Application for Retirement, federal and California state taxes *will* be withheld from your retirement benefit, beginning with your first retirement check, and will be based on the filing status of "married with three allowances."

If you decide to have federal or California state income tax withheld from your retirement benefit, it is your responsibility to make sure that your net benefit payment (i.e., after other deductions) is large enough to cover the amount you want withheld for taxes and other payroll deductions. If it is not, one or more of your other payroll deductions could be automatically discontinued.

Your tax-withholding election will remain in effect until you revoke it. You may revoke your election or change the amount or percentage withheld by VCERA by completing a new *Federal and California State Tax Withholding Request Form*, available at www.vcera.org. Please expect a short delay while VCERA processes your tax-withholding request.

If you elect not to withhold federal or California state income tax from your retirement benefit or if you do not withhold enough tax, you may be responsible to pay estimated tax. Additionally, you may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. Any tax withheld by VCERA may not be refunded to you by VCERA.

VCERA cannot provide you with advice on federal or state tax withholding. Please contact your accountant or tax attorney, the State Franchise Tax Board or the Internal Revenue Service for information on your individual tax situation.



FEDERAL AND CALIFORNIA STATE TAX WITHHOLDING REQUEST FORM

(Please read instructions before completing this form.)

Name: _____	<input type="checkbox"/> Member
Address: _____	<input type="checkbox"/> Survivor
SSN: _____ Phone #: _____	<input type="checkbox"/> DRO Non-Member or Alternate Payee
<p><u>FEDERAL WITHHOLDING REQUEST</u></p> <p><i>Select <u>one</u> of the following two choices:</i></p> <p><input type="checkbox"/> 1. I elect <u>NOT</u> to have federal income tax withheld from my monthly retirement benefit.</p> <p><input type="checkbox"/> 2. (a) I elect to have my federal tax withholding from my monthly retirement benefit computed using the number of allowances and marital status indicated below:</p> <p style="margin-left: 40px;">Number of Allowances: _____</p> <p style="margin-left: 40px;">Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at the higher "Single" rate</p> <p>(b) OPTIONAL: Additional amount, if any, to be withheld from my monthly benefit: \$ _____</p> <p>Note: Before entering an amount on line 2(b), you must enter a number of allowances (even if it is 0) on line 2(a) and check one of the Marital Status boxes. If line 2(a) is blank, your form will be rejected.</p>	
<p><u>CALIFORNIA STATE WITHHOLDING REQUEST</u></p> <p><i>Select <u>one</u> of the following three choices:</i></p> <p><input type="checkbox"/> 1. I elect <u>NOT</u> to have California state income tax withheld from my monthly retirement benefit.</p> <p><input type="checkbox"/> 2. (a) I elect to have my California state tax withholding from my monthly retirement benefit computed using the number of allowances and marital status indicated below:</p> <p style="margin-left: 40px;">Number of Allowances: _____</p> <p style="margin-left: 40px;">Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at the higher "Single" rate</p> <p>(b) I elect to have the following amount withheld <i>in addition to</i> the amount computed under 2(a) above: \$ _____</p> <p><input type="checkbox"/> 3. I elect to have the following amount withheld for California state income tax from each monthly benefit payment: \$ _____</p>	
Member Signature	Date

***** THIS FORM REPLACES ANY PRIOR WITHHOLDING ELECTION FILED WITH VCERA. *****