



2101 South Veterans Parkway  
P.O. Box 19255  
Springfield, IL 62794-9255

State Employee's Retirement System of Illinois  
General Assembly Retirement System  
Judges' Retirement System of Illinois

## W-4P FREQUENTLY ASKED QUESTIONS

### **Q. How do I change/increase/stop my federal taxes?**

A. Generally, it is best to complete a new W-4P for withholding. If you wish to stop the withholding, you can put the request in the form of a note along with your information, printed name, last four of your social security number, and phone number. It can be mailed, faxed, or emailed to SERS. If it is received after our monthly deadline, (generally around the 5th of each month), it will be effective on the next upcoming payroll.

### **Q. How much would be withheld from my check if I claimed XXXX for withholding?**

A. Check out SERS' tax calculator on our website, [https://www.srs.illinois.gov/SERS/calc/tax/entry\\_info.htm](https://www.srs.illinois.gov/SERS/calc/tax/entry_info.htm)

### **Q. Can you tell me what I am currently claiming?**

A. SERS can tell you this information. Call us at 217-785-7444 and we can help you.

### **Q. How do I withhold a flat dollar amount for federal tax?**

A. You can send a note requesting the total monthly dollar amount that you want withheld. It should include your printed name, last four of your social security number, and phone number. If you're completing a W-4P, do not mark any boxes for marital status or exemptions. Simply write \$XXX flat amount.

### **Q. What withholds more money each month – 0 or 1 exemption?**

A. A higher number of allowance/exemptions will result in a lower amount of withholding each month.

### **Q. How much should I have withheld for my taxes each month?**

A. SERS cannot answer that question. Everyone's tax situation is different. You will need to check with your tax preparer.

### **Q. Why can't you tell me how much I should have withheld each month?**

A. SERS employees are not tax professionals who know your complete financial picture. We cannot advise as we cannot be held liable.

### **Q. What is the most I can have withheld each month for taxes?**

A. It can be any amount you want. It can be up to 100% if you wish.

### **Q. Do I need to have federal taxes withheld from my check?**

A. No, federal tax withholding is completely optional but be aware that your benefit (except Occupational disability and Occupational death) is subject to federal tax and you may owe at the time you file your taxes.

### **Q. Can I withhold at the single rate even though I'm married?**

A. Yes, withholding can be based on any status you want. When you file your taxes, you must claim your true status.

### **Q. I filled out a request to have taxes withheld and nothing came out.**

A. Usually this occurs when the monthly benefit amount is low compared to the tax table rates. When this occurs, you will need to request the withholding based on a flat dollar amount or a percentage.

### **Q. What is the standard rate for withholding when you are on a benefit?**

A. There is no standard rate. The tax tables vary according to what tax bracket you fall within and what marital status and exemptions you elect.

**Q. How do I withhold 20% (example) for federal tax?**

A. You may send your request in writing indicating your choice for withholding. If you are completing the W4-P, do not mark any boxes for marital status or exemptions and write them on the form XX% total along with the other requested information. A written request must include your printed name, last four of your social security number, and your phone number. It can be mailed, faxed, or emailed as an attachment.

**Q. I receive two benefits from SERS. I need to change my withholding on just one (or both).**

A. If you want to change your taxes on your pension (example), you will need to indicate "pension" on your form/request. If you want to change the taxes for both, you must indicate "both benefits" on the form/request.

**Q. Can I change my federal withholding online?**

A. Unfortunately, SERS currently does not have that capability, but are hoping to add it to our website in the future.

**Q. I just received a check for multiple months, and I do not know how they figured the taxes. It seems like there should be more/less withheld.**

A. Each month is figured independently and then all the months are added together. SERS does not simply calculate the taxes based on the whole amount with all the months added together as that would put you in a higher tax bracket.

**Q. Why did my taxes change on my check?**

A. Usually the tax tables change each January 1st. They will either withhold a bit more or less than the previous year. If not on January 1st, there may be another reason (see below).

**Q. Why did my taxes change? (mid-year)**

A. SERS may have received a tax change request, or if you had a level income or a social security offset and there was a change to the gross amount that will result in less taxes being withheld on less income. This will only occur when taxes are withheld based on the tax tabled or a percentage method.

**Q. I received my 3% increase and my taxes did not go up, they stayed the same.**

A. That will occur when a flat dollar amount was previously elected the tax withholding. The only way to have the withholding increase proportionately when an increase is received is to have the withholding based on the tax tables or a percent method.

**Q. My gross amount is less now because my level income began reducing my check, but you are still withholding the same amount of federal tax.**

A. When the previous tax election is a flat dollar amount rather than based on the tax tables or a percentage for withholding there will be no change.

**Q. My parent cannot sign their name anymore and no one has Power of Attorney (POA) or Guardianship and we need to have their taxes changed/stopped. What can we do?**

A. If they are still able to make an X then we can accept that as a "signature" as long as it has been witnessed by two people. Of course, someone else would need to complete the form or write out the request for them.

**Q. I receive the mail as Power of Attorney (POA) for my parent. Should I put my address on the W-4P form that I am filling out for my parent?**

A. Yes, it will be fine to use the POA's mailing address if they still use the payee's name and social security number on the form.

**Q. My son/daughter is a student and I need to change their tax withholding.**

A. If the student is over 18, the student needs to submit the info themselves to change the withholding. If the child is under 18, the parent or Guardian listed on the account can submit any change.

**Q. Do I have to pay Illinois taxes while on a SERS benefit?**

A. No, all SERS benefits are state tax exempt. If they have other income besides our benefit, they may owe taxes on that. They will need to consult a tax professional.

**Q. Can I have State taxes taken out of my check?**

A. Yes, but only for Illinois. Also, keep in mind that all SERS benefits are exempt from state taxes in Illinois. If you want taxes withheld to cover other income, submit a signed request along with printed name and last four of social security number and dollar amount to be withheld each month. SERS cannot withhold Illinois state tax based on marital status or percentage.

**Q. Can I have taxes taken out for another state?**

A. No. We do not have the capability to withhold taxes for any state other than Illinois. If you find that you owe state taxes for a state other than Illinois, you may need to be set up on a quarterly estimated payment with that state's department of revenue. We are working on this capability as part of our future enhancements.

**Q. I filled out my State 1040 form and it says I owe State of Illinois taxes.**

A. If you only receive our benefit (and in some instances even Social Security) the tax form may have been filled incorrectly. You may owe tax if you have other income, but if the only income is the Illinois pension (or benefit) and most Social Security benefits, then those are normally not subject to tax in Illinois.

**Q. Do I need to file taxes? I am XX years old and I make \$XXXX.**

A. SERS cannot answer that question. Everyone's tax situation is different. You would need to check with the IRS or a tax preparer. All benefits paid by SERS are subject to federal tax – except for Occupational disability and monthly Occupational death benefits.

**Q. I just found out my Illinois State taxes were filed wrong and that I really should not have paid state tax. What should I do?**

A. You should contact the Illinois Department of Revenue and most likely file an amended return to be reimbursed for taxes withheld in error. SERS is not involved other than sending a copy of the 1099R if need be. SERS can request a copy of the 1099R to be mailed to you after verifying the correct address.

**Q. I am receiving an Occupational disability benefit. I know that it is not subject to tax, but my tax preparer/ the IRS says that it is.**

A. The tax preparer is incorrect if they are insisting that it is subject to tax. They can be referred to our tax brochure on the website. They may not be that familiar with nontaxable work-related disability. They should be instructed to investigate it further and then complete the tax return correctly. If the tax preparer still insists that they are correct and that it should be subject to tax, you may want to consider going to a more experienced tax professional. In the case of the IRS, not all tax reviewers there are familiar so we will mail a special letter to you to forward to the IRS.

**Q. I received a check that paid me for time in a previous year, but the check was issued this year. What year's taxes will that get reported on?**

A. The payments are taxed in the year that you receive it, regardless of what year or period it is paying for.

**Q. What is monthly nontaxable? Where does that amount come from?**

A. For retired members, it is simply based on contributions that you paid into the system themselves prior to 1982 or it represents a service purchase that was made with post tax dollars. The money was already taxed and cannot be taxed again when it is paid out, so those contributions then become the nontaxable portion of your benefit. The IRS does not allow anyone to receive full credit for that amount all at once, instead it is divided by actuarial tables using the "Simplified Method" and the result is the monthly nontaxable amount. It is simply a tax break that basically means you do not have to pay taxes on that portion of the pension.