



ADMINISTRATORS BREAKOUT

Wednesday, November 10, 2021

AGENDA

- | | |
|-----------|--|
| 2:00 p.m. | Welcome & Settling In
<i>Donald (Don) Kendig, Chair</i> |
| 2:10 p.m. | Agenda modification and approval |
| 2:15 p.m. | Staff Compensation: Highlights and Trends – <i>Moderator Don Kendig and Speakers Joe Rice, CBIZ Compensation Consulting and Omar Davis, JD, EFL Associates</i> |
| 3:00 p.m. | What's going on at your system? |
| 4:00 p.m. | Best Practices Discussion: <ol style="list-style-type: none">1. Strategic Plans: Most, if not all of us do them. How do you do yours and what do you like best or least about the plan and the process?2. Draft Forms W-4P and W-4R: What the heck! What's the difference? How are you going to communicate the change and what sort of programming will your systems need? – <i>Leanne Malison to lead off on the discussion</i>3. Others (Time permitting) |
| 4:25 p.m. | Select chair (or co-chairs) for next breakout |
| 4:30 p.m. | Breakout Adjourns |



Note: The draft you are looking for begins on the next page.

Caution: DRAFT—NOT FOR FILING

This is a third early release draft of the 2022 IRS Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments, which the IRS is providing for your information, review, and feedback. The 2022 Form W-4P has been split into two forms, Form W-4P for periodic pensions and annuities, and new Form W-4R, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions. A revised 2022 draft Form W-4R will be posted separately. This third early release of the 2022 draft Form W-4P is for the sole purpose of providing instructions for an optional computational bridge between the 2021 or earlier Forms W-4P and 2022 or later Forms W-4P.

For the draft W-4P, we have included a draft payer overview, a worksheet for computing withholding based on the entries on the form, and a computational bridge to help figure federal income tax withholding on 2021 or earlier Forms W-4P as if they were 2022 or later Forms W-4P. **These computational steps should not change, and this draft form may be relied upon for purposes of starting systems programming.** The payer instructions, worksheet, and computational bridge will be included in some form in the 2022 Pub. 15-T. See [IRS.gov/W4P](https://www.irs.gov/W4P) for the latest information about the Form W-4P and [IRS.gov/Pub 15-T](https://www.irs.gov/pub/15-T) for the latest information about the payer instructions.

Electronic systems set up as a substitute to paper Forms W-4P must exactly replicate the text and instructions from the face of the paper Form W-4P beginning with Step 1c through Step 4c (inclusive). No pop-ups or hoverboxes within those steps are permitted and if the electronic system has toggles for those steps that limit the amount of text that is viewable, the toggles must be off as the default. If the electronic system places steps on different pages, users must be required to go to each page before they may electronically sign the form. The electronic system must also include a hyperlink to Form W-4P on [irs.gov](https://www.irs.gov) or include the instructions and worksheet in their entirety in the electronic system interface itself (inclusion of only some of this information requires a link to the form). Finally, the electronic system must provide a field (including, for example, a checkbox) immediately below or after Step 4c to allow users to elect no withholding from their payments. Refer to Pub. 15-A for other requirements for electronic systems.

Do not rely on draft forms, instructions, and publications for filing. The final version will include updates to the Step 4(b)—Deductions Worksheet for indexed numbers for 2022 and may include minor text changes to the instructions. You can submit comments to the IRS about draft or final forms, instructions, or publications at [IRS.gov/FormComments](https://www.irs.gov/FormComments). We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until a subsequent tax year revision of the product.

Draft forms are generally subject to OMB approval before they can be officially released. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms), and may remain there even after the final, official release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). All information about all forms, instructions, and publications is at [IRS.gov/Forms](https://www.irs.gov/Forms).

Overview

When the taxpayer has multiple sources of withholding (e.g., multiple pensions, or a job and an annuity), the 2022 Form W-4P approaches withholding differently than Form W-4 does for multiple jobs. The 2022 Form W-4P for a given retirement or annuity payment and the associated payer worksheet are designed to assign to that retirement or annuity payment all of the marginal tax associated with that payment, given all other income from jobs and any retirement or annuity payments that pay less annually than this one. Hence, the amount to withhold in such cases is figured as follows (for expositional convenience, assume the W-4P is for a pension):

A. Figure the tax on the total of this pension PLUS all job income PLUS all other retirement/annuity amounts that pay less annually than this pension. (This sum is the annual amount for this pension plus the amount the taxpayer reports on Step 2(b)(iii) of the 2022 Form W-4P.)

B. Figure the tax on the total of all job income PLUS all other retirement/annuity amounts that pay less annually than this pension. (That is, this sum is the same as in A, except that it excludes this pension; it is simply the amount the taxpayer reports on Step 2(b)(iii) of the 2022 Form W-4P.)

C. Subtract B from A to derive the marginal amount to withhold on this pension.

In such cases, the attached payer worksheet figures B in Step 2 Part I, it figures A in Step 2 Part II, and it figures C in Step 2 Part III.

If there is no other source of income or the payee's W-4P is from 2020 or earlier, then Part II of Section 2 is not needed.

Worksheet for Figuring Withholding From Periodic Retirement or Annuity Payments

Table 1

Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily
2	4	12	24	26	52	260

Step 1. Adjust the payee's payment amount

- 1a. Enter the payee's total payment this period..... 1a. \$
- 1b. Enter the number of payment periods you have per year (see Table 1)..... 1b.
- 1c. Multiply line 1a by the number on line 1b..... 1c. \$

If the payee **HAS** submitted a Form W-4P for 2022 or later, figure the Adjusted Annual Payment Amount as follows:

- 1d. Enter the amount here that is on Step 4(a) of the payee's Form W-4P..... 1d. \$
- 1e. Add lines 1c and 1d..... 1e. \$
- 1f. Enter the amount from Step 4(b) of the payee's Form W-4P..... 1f. \$
- 1g. Enter \$12,900 if the taxpayer is married filing jointly or \$8,600 otherwise..... 1g. \$
- 1h. Add lines 1f and 1g..... 1h. \$
- 1i. Subtract line 1h from line 1e. If zero or less, enter -0-. This is the **Adjusted Annual Payment Amount**..... 1i. \$

If the payee **HAS NOT** submitted a Form W-4P for 2022 or later, figure the Adjusted Annual Payment Amount as follows:

- 1j. Enter the number of allowances claimed on the payee's most recent Form W-4P..... 1j.
- 1k. Multiply line 1j by \$4,300..... 1k. \$
- 1l. Subtract line 1k from line 1c. If zero or less, enter -0-. This is the **Adjusted Annual Payment Amount**..... 1l. \$

Step 2. Figure the Tentative Annual Withholding Amount

based on the payee's Adjusted Annual Payment Amount and filing status (Step 1(c) of Form W-4P for 2022 or later) or marital status (line 2 for earlier forms).

If the payee **HAS** submitted a Form W-4P for 2022 or later **AND** Step 2(b)(iii) of that Form W-4P contains an amount, complete Part I, II and III of Step 2. Otherwise, complete Part I and III only.

Part I:

- 2a. If the payee **HAS** submitted a Form W-4P for 2022 or later **AND** Step 2(b)(iii) of that Form W-4P contains an amount:
Enter the amount from Step 2(b)(iii) of that Form W-4P 2a. \$
- OR
- 2b. If the payee **HAS NOT** submitted a Form W-4P for 2022 or later; or, the payee has submitted a Form W-4P for 2022 or later but Step 2(b)(iii) of that Form W-4P **DOES NOT** contain an amount:
Enter the payee's adjusted annual payment amount from line 1i or 1l..... 2b. \$
- 2c. Using the amount on line 2a or 2b (whichever is not zero), find the row in the STANDARD Withholding Rate Schedules in the **Annual** Percentage Method table in which that amount is at least the amount in column A but less than the amount in column B, then enter here the amount from column A of that row..... 2c. \$
- 2d. Enter the amount from column C of that row..... 2d. \$
- 2e. Enter the percentage from column D of that row..... 2e. %
- 2f. Subtract line 2c from line 2a or 2b (whichever is not zero)..... 2f. \$
- 2g. Multiply the amount on line 2f by the percentage on line 2e..... 2g. \$
- 2h. Add line 2d and line 2g..... 2h. \$

Part II: (Complete Part II if there is an amount in 2a. Skip Part II if there is an amount in 2b)

- 2i. Enter the payee's Adjusted Annual Payment Amount from line 1i or 1l above..... 2i. \$
- 2j. Enter the amount from Step 2(b)(iii) of the payee's Form W-4P..... 2j. \$
- 2k. Add lines 2i and 2j..... 2k. \$
- 2l. Find the row in the STANDARD Withholding Rate Schedule in the **Annual** Percentage Method table in which the amount on line 2k is at least the amount in column A but less than the amount in column B, then enter here the amount from column A of that row..... 2l. \$
- 2m. Enter the amount from column C of that row..... 2m. \$
- 2n. Enter the percentage from column D of that row..... 2n. %
- 2o. Subtract line 2l from line 2k..... 2o. \$
- 2p. Multiply the amount on line 2o by the percentage on line 2n..... 2p. \$
- 2q. Add line 2m and line 2p..... 2q. \$
- 2r. Subtract line 2h from line 2q and enter the result here. If zero or less, enter -0-..... 2r. \$

Part III: For ALL payees, identify the tentative annual withholding amount as follows:

- 2s. If line 2r has an amount, enter that amount here. Otherwise, enter the amount from line 2h 2s. \$

Step 3. Account for tax credits

- 3a. If the payee has submitted a Form W-4P for 2022 or later, enter the amount from Step 3 of that form; otherwise enter -0-..... 3a. \$
- 3b. Subtract line 3a from line 2s. If zero or less, enter -0-..... 3b. \$

Step 4. Figure the final amount to withhold

- 4a. Divide the amount on line 3b by the number of pay periods from line 1b..... 4a. \$
- 4b. Enter the additional amount to withhold from the payee's Form W-4P (Step 4(c) of the 2022 form or line 3 on earlier forms)..... 4b. \$
- 4c. Add lines 4a and 4b. **This is the amount to withhold from the payee's payment this pay period**..... 4c. \$

How To Treat 2021 and Earlier Forms W-4P as if They Were 2022 or Later Forms W-4P

Payers may use an optional computational bridge to treat 2021 or earlier Forms W-4P as if they were 2022 or later Forms W-4P for purposes of figuring federal income tax withholding. This computational bridge can reduce system complexity by allowing payers to permanently use computational procedures and data fields for a 2022 and later Form W-4P to arrive at the equivalent withholding for a payee that would have applied using the computational procedures and data fields on a 2021 or earlier Form W-4P. You must make up to four adjustments to use this computational bridge.

1. Select the filing status in Step 1(c) of a 2022 or later Form W-4P that most accurately reflects the payee's marital status on line 2 of a 2021 or earlier Form W-4P. Treat the payee as "Single or Married filing separately" on a 2022 or later Form W-4P if the payee selected either "Single" or "Married, but withhold at higher single rate" as their marital status on their 2021 or earlier Form W-4P. Treat the payee as "Married filing jointly" on a 2022 or later Form W-4P if the payee selected "Married" as their marital status on their 2021 or earlier Form W-4P. You can't convert a payee to a filing status of "head of household" using this computational bridge.
2. Enter an amount in Step 4(a) on a 2022 or later Form W-4P based on the filing status that you determined in (1) above when you converted the payee's marital status on a 2021 or earlier Form W-4P. Enter \$8,600 if the payee's filing status is "Single or Married filing separately" or \$12,900 if the payee's filing status is "Married filing jointly."
3. Multiply the number of allowances claimed on line 2 of a payee's 2021 or earlier Form W-4P by \$4,300 and enter the result in Step 4(b) on a 2022 or later Form W-4P.
4. Enter the additional amount of withholding requested by the payee on line 3 of their 2021 or earlier Form W-4P in Step 4(c) of a 2022 or later Form W-4P.

CAUTION

This computational bridge applies only for Forms W-4P that were in effect on or before December 31, 2021, and that continue in effect because a payee didn't submit a 2022 or later Form W-4P. If a payee chooses to submit a new Form W-4P, it doesn't change the requirement that the payee must use the current year's revision of Form W-4P. Upon putting in effect a new Form W-4P from a payee, you must stop using this computational bridge for the applicable year of the new Form W-4P.

If you avail yourself of this option, you may skip Steps 1(j)-1(l) and any other instructions applying to a Form W-4P from 2021 or earlier from the Worksheet for Figuring W-4P Withholding.

**Withholding Certificate
for Periodic Pension or Annuity Payments**▶ **Give Form W-4P to the payer of your pension or annuity payments.****2022****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) ☐ Single or Married filing separately☐ Married filing jointly or Qualifying widow(er)☐ 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 page 2 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
or Multiple
Pensions/
Annuities
(Including a
Spouse's
Job or
Pension/
Annuity)**

Complete this step if you (1) receive 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.

Do **only one** of the following.(a) Use the estimator at www.irs.gov/W4App 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 (or your spouse) have a job(s), enter the total taxable annual pay from all job(s) and any other income entered on Form W-4, Step 4(a), less the deductions entered on Form W-4, Step 4(b). If you (or your spouse) do not have a job(s), enter “-0-” ▶ \$

(ii) If you (or your spouse) have another pension/annuity that pays less annually than this pension/annuity, enter the total annual taxable payments from those other sources. If this is the only pension/annuity or it pays the least taxable amount annually, 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 (or your spouse) have a job, **do not** complete Steps 3–4(b) on this form.If you (or your spouse) do not have a job, complete Steps 3–4(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:
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

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 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. 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 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. Expect to receive pension or annuity payments for only part of the year, or
2. Have self-employment income. Generally, you will owe both income and self-employment taxes on any self-employment income you receive separate from the pension or annuity payments you receive.

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

Your privacy. If you prefer to limit information provided in Steps 2 through 4, use the online estimator.

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 (1) receive 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.



Multiple sources of pensions/annuities or jobs. If you (or your spouse) have a job(s), complete Steps 3 through 4(b) on Form W-4. If you (or 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. 972, Child Tax Credit and Credit for Other Dependents. You can also include **other tax credits** 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 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.)

- 1** 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 **1** \$ _____
- 2** Enter: { • \$XX,XXX if you're married filing jointly or qualifying widow(er)
• \$XX,XXX if you're head of household
• \$XX,XXX if you're single or married filing separately } **2** \$ _____
- 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:
• \$XX,XXX if you're single or head of household.
• \$XX,XXX if you're married and one of you is under age 65.
• \$XX,XXX if you're married 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 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.



W-4R Handout

Note: *The draft you are looking for begins on the next page.*

Caution: DRAFT—NOT FOR FILING

This is a second early release draft of the 2022 IRS Form W-4R, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions, which the IRS is providing for your information, review, and feedback. The 2022 Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments, has been split into two forms, Form W-4P for periodic pensions and annuities, and new Form W-4R. A third early release of the 2022 draft Form W-4P will be posted separately for the sole purpose of providing instructions for an optional computational bridge between the 2021 or earlier Forms W-4P and 2022 or later Forms W-4P.

The computational steps in this second early release draft should not change, and this draft form may be relied upon for purposes of systems programming. See [IRS.gov/W4P](https://irs.gov/W4P) for the latest information about the Form W-4R.

There are several specific requirements for electronic systems set up as a substitute to paper Forms W-4R that are in addition to those described in Pub. 15-A. Electronic systems must exactly replicate the text from the face of the paper Form W-4R between lines 1 and 2, with the exception that electronic systems that are being used exclusively for non-periodic payments may omit the second bullet, and systems that are being used exclusively for eligible rollover distributions may omit the first bullet. Electronic systems must also exactly replicate the text on line 2 and the 2022 Marginal Rate Tables (inclusive of all related text above and within the tables) as they appear after the paper Form W-4R. No pop-ups or hoverboxes are permitted, and if the electronic system has toggles for those steps that limit the amount of text that is viewable, the toggles must be off as the default. If the electronic system places steps on different pages, users must be required to go to each page before they may electronically sign the form. The electronic system also must include a hyperlink to Form W-4R on irs.gov or include the General and Specific instructions in their entirety in the electronic system interface itself (that is, inclusion of only some of this information requires a link to the form). Refer to Pub. 15-A for other requirements for electronic systems.

Do not rely on draft forms, instructions, and publications for filing. The final version will include updates to the 2022 Marginal Tax Rate Tables for indexed numbers for 2022 and may include minor text changes to the instructions and/or formatting changes. You can submit comments to the IRS about draft or final forms, instructions, or publications at [IRS.gov/FormComments](https://irs.gov/FormComments). We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until a subsequent tax year revision of the product.

Draft forms are generally subject to OMB approval before they can be officially released. Early release drafts are at [IRS.gov/DraftForms](https://irs.gov/DraftForms), and may remain there even after the final, official release is posted at [IRS.gov/LatestForms](https://irs.gov/LatestForms). All information about all forms, instructions, and publications is at [IRS.gov/Forms](https://irs.gov/Forms).

**Withholding Certificate for Nonperiodic Payments and
Eligible Rollover Distributions**

OMB No. 1545-0074

2022

▶ Give Form W-4R to the payer of your retirement payments.

1a First name and middle initial	Last name	1b Social security number
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Address

City or town, state, and ZIP code

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. You can't choose less than 10% for payments to be delivered outside the United States and its possessions.
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

2 Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals)	2	%
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**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-4R, such as legislation enacted after it was published, go to www.irs.gov/FormW4R.**Purpose of form.** Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular

intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

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. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.**2022 Marginal Rate Tables**

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying widow(er)		Head of household	
Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
12,550	10%	25,100	10%	18,800	10%
22,500	12%	45,000	12%	33,000	12%
53,075	22%	106,150	22%	73,000	22%
98,925	24%	197,850	24%	105,150	24%
177,475	32%	354,950	32%	183,700	32%
221,975	35%	443,950	35%	228,200	35%
536,150*	37%	653,400	37%	542,400	37%

* If married filing separately, use \$326,700 instead for this 37% rate.

General Instructions *(continued)*

Nonperiodic payments—10% withholding. Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. You are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its possessions.

Note: If you don't give Form W-4R to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can't honor requests to have a lower (or no) amount withheld.

Eligible rollover distributions—20% withholding.

Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can't choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don't give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions: (a) qualifying “hardship” distributions, and (b) distributions required by federal law, such as required minimum distributions. See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. 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, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Line 1b

For an estate, enter the estate's employer identification number (EIN) in the area reserved for “Social security number.”

Line 2

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

Suggestion for determining withholding. Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

Examples. Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

Example 1. You expect your total income to be \$60,000 without the payment. Step 1: Because your total income without the payment, \$60,000, is greater than \$53,075 but less than \$98,925, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$80,000, is greater than \$53,075 but less than \$98,925, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

Example 2. You expect your total income to be \$42,500 without the payment. Step 1: Because your total income without the payment, \$42,500, is greater than \$22,500 but less than \$53,075, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$62,500, is greater than \$53,075 but less than \$98,925, the corresponding rate is 22%. The two rates differ. \$10,575 of the \$20,000 payment is in the lower bracket (\$53,075 less your total income of \$42,500 without the payment), and \$9,475 is in the higher bracket (\$20,000 less the \$10,575 that is in the lower bracket). Multiply \$10,575 by 12% to get \$1,269. Multiply \$9,475 by 22% to get \$2,073.50. The sum of these two amounts is \$3,342.50. This is the estimated tax on your payment. This amount corresponds to 16.7% of the \$20,000 payment (\$3,342.50 divided by \$20,000). Rounding up to the next whole number, enter “17” on line 2.

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 additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). 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 payment(s) being subject to the default rate; 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.