



EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD
789 N WATER ST SUITE 300
MILWAUKEE WI 53202
IMPORTANT NOTICE TO ALL PENSIONERS

RE: Withholding from pensions under regulations issued by the
Internal Revenue Service

Generally, the pension payments you receive from the Employees' Retirement System of the City of Milwaukee (ERS) are subject to Federal Income Tax withholding. You may request withholding on the basis of marital status with a number of allowances, a monthly flat dollar amount, or a combination of the two. Withholdings calculated on the basis of marital status and number of exemptions is based on the taxable portion of your monthly gross pension benefit.

You may elect to have no withholdings taken from your pension payments by returning a properly completed withholding election form to the Employees' Retirement System. Your election will remain in effect until you change it. You may change your withholding election at any time by completing and returning a new election form. Any change in your withholding election will be effective as soon as administratively feasible after it is received. Withholding election forms may be obtained from the ERS office or they may be downloaded from the ERS website (www.cmers.com).

If you do not have a withholding election form on file with ERS, Federal Income Tax will be withheld from the taxable portion of your pension as if you were married claiming three (3) allowances and Wisconsin Income Tax will not be withheld at all.

If, as a result of your election, you do not have enough Federal or Wisconsin Income Tax withheld, you may be responsible for quarterly payments of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. ***Any questions concerning this matter should be addressed to your local office of the Internal Revenue Service or the Wisconsin Department of Revenue.***

As required by the Wisconsin Department of Revenue, if you request that Wisconsin income tax be withheld from your pension in accordance with the withholding tables or designate a flat dollar amount, the amount withheld cannot be less than \$5.00 per month.

The ERS can only withhold state taxes for the State of Wisconsin. If your pension is subject to taxation in some other jurisdiction, you should check with the appropriate taxing agency for assistance concerning the taxability of your benefits and methods available to pay taxes if necessary.

If you are currently receiving a duty disability pension allowance, your pension allowance is currently exempt from Federal and Wisconsin Income Tax. However, federal regulations require that you still complete a tax withholding election form.

Due to the high volume of forms received each month, we cannot confirm by phone if we have received a particular withholding election form. If you want confirmation of receipt of this form, please enclose a stamped, self addressed envelope for this purpose.

See **Withholding Election Form** on other side

