



Merced County Employees' Retirement Association

INSTRUCTIONS REGARDING FEDERAL AND CALIFORNIA STATE INCOME TAX WITHHOLDING ON RETIREMENT INCOME

You may elect to have federal and/or California state income taxes withheld from your monthly Merced County Employees' Retirement Association (MercedCERA) 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 or percentage amount.

To make an election, complete the Federal and California State Tax Withholding Request Form on the next page and return it to MercedCERA. The form includes several options for making federal and state of California withholding elections. MercedCERA will not withhold state taxes for any other state. Please consult with a tax professional to determine the California taxability of your retirement benefit.

You must file this elections form with your retirement application. Federal and California state taxes will be withheld from your retirement benefit, beginning with your first retirement payment.

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 from taxes and other payroll deductions. If it is not sufficient, 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 MercedCERA by completing a new Federal and California State Tax Withholding Request Form, available at www.mercedcera.com. You can expect a short delay while MercedCERA 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 MercedCERA may not be refunded to you by MercedCERA.

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

Please complete all the information on back of this page and return by mail, email or fax to:

MERCED COUNTY RETIREMENT OFFICE
3199 M STREET
MERCED, CA 95348
(209) 725-3637
mcera@countyofmerced.com

FEDERAL AND CALIFORNIA STATE TAX WITHHOLDING REQUEST FORM

Please select from ONE of the THREE options below:

1) No Tax Deducted (MercedCERA will not withhold taxes from other states)

- I do not wish to have Federal withholding tax deducted from my MercedCERA benefit.
I do not wish to have California State withholding tax deducted from my MercedCERA benefit.

I understand that I am liable for payment of Federal and/or California State tax on the taxable portion of my pension and that I may be subject to tax penalties under the estimated tax payment rules if my payment of estimated tax and withholding are not adequate.

2) Fixed Amount

- I elect to have this exact amount of Federal withholding tax deducted: \$ _____ OR _____%
I elect to have this exact amount of California State withholding tax deducted: \$ _____ OR _____%

3) Tax Tables

- I elect to have my Federal and California State withholding tax computed using the number of allowances and marital status indicated below:

Federal Tax

California State Tax

- Married filing jointly
Single or Married filing separately
Head of Household

Number of Allowances: _____

- In addition to the tax computed via the tax table above, I elect to have this additional amount withheld:

Federal: \$ _____ California State: \$ _____

If you receive multiple pensions, please indicate which account you want to apply the changes:

- Member Beneficiary Ex-Spouse

I have reviewed the information on the back of this form and hereby submit this statement of preference regarding how my benefit is to be treated for purposes of Federal and California State income tax withholding.

Print Name: _____ Social Security #: _____

Address: _____ Phone #: _____

Signature: _____ Date: _____

****This form replaces any prior withholding election filed with MercedCERA****

MercedCERA USE ONLY

Table with 5 columns: MKEY, DATE ENTERED, ENTERED BY, DATE REVIEWED, REVIEWED BY