

2010 Income Tax Withholding to include Additional Withholding for Pensions

The 2010 Income Tax Withholding Tables issued by the IRS include reductions for the Making Work Pay credit. Pension payments are not earned income and do not qualify for the Making Work Pay credit. Therefore, the IRS has issued an additional set of tables to be used by payors of pensions to figure additional income tax withholding on pension payments to offset the Making Work Pay withholding reduction. The Division of Retirement and Benefits has incorporated these additional tables into the calculation of income tax withholding.

Retirees are strongly encouraged to review the taxes withheld from their January benefit payment and to consult with a tax advisor to determine if the amount is appropriate for their situation. If you would like to make a change to your withholding please submit IRS Form W-4P to the Division of Retirement and Benefits at PO Box 110203, Juneau, AK 99811-0203, or you can fax the form to (907) 465-3363.

IRS Form W-4P is available on our website at doa.alaska.gov/drb/forms/index.html, on the IRS website at www.irs.gov, or by contacting the Retiree Payroll Section at 1-800-821-2251 option #7, in Juneau at 465-1447, or by e-mail to doa.drb.payroll@alaska.gov.



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