



1134 Municipal Way
Lansing, MI 48917
800.767.MERS (6377)
www.mersofmich.com



Apply online! 

You can log in to your myMERS account from www.mersofmich.com to apply for Defined Benefit retirement.

Congratulations!

We realize applying for your retirement is a major life event, and we want to make this transition as easy as possible for you.

Important information about your retirement

It's important we receive your Application for Defined Benefit Retirement (Form F-29) 45 – 90 days from your expected retirement date. It may take up to 6 weeks for MERS to review your record. This application period is necessary for us to complete an audit of your employment history and ensure your retirement process begins smoothly. Applying outside this window may delay your first pension payment.

Before you complete the application, log into your personal myMERS account, select your "MERS Defined Benefit" account, then click on "DB Calculator" to calculate your estimated pension benefit. This is a secure online account where you can change your personal information, calculate your estimated benefit amount, and view other resources. If you haven't registered for myMERS, visit www.mersofmich.com and sign up for free today.

Review the benefit calculation to understand your estimated benefit payment amount, various payment options, and choose the option that works best for you. This application requires you to choose your payment option. See the guide (page 6) or [Payment Options video](#) for an explanation of your retirement benefit payment options. The option you elect cannot be changed once you receive your first pension payment.

If you have questions, call our Service Center at 800.767.6377.

Calculate Your Benefit Estimate

- Log into your myMERS account
- Under Accounts – Retirement, select "MERS DB Monthly Pension"
- "View Plan Summary" on the right
- Select "Calculator" on the left hand menu
- The calculator will default to your first eligible retirement date
- Select your beneficiary.
- Click Calculate to view your estimated benefit

What You Should Know Before You Retire

1. It's important to apply 45 to 90 days from your desired retirement date.
2. It may take up to 6 weeks to complete an audit of your record.
3. Your retirement date is determined by your age and service eligibility, termination of employment and the submission of your application.
4. Review your beneficiary information and submit changes if necessary.
5. If your name has changed during your employment, provide us with proof of the name change.
6. Payments are issued electronically on the 18th of each month.



Apply online! 

Log in to your myMERS account to apply for Defined Benefit retirement.

Application for Defined Benefit Retirement

* Required field • Please print • Retain a copy for your records

MERS Retirement Process Overview

1 Apply for retirement

Apply online at www.mersofmich.com or complete and submit this form to MERS 45-90 days prior to your anticipated retirement date. (Your first payment may be delayed if less than 45 days of notice is given when submitting your application.)

Note: Proof of name change is required for individuals who have changed their name during their employment history.

2 MERS begins processing your information

It may take up to 6 weeks to review and process your file.

3 Preliminary benefit calculation

MERS will send a personalized preliminary calculation of your expected benefits with a letter confirming your retirement elections.

4 Enjoy your retirement!

Your retirement date will be the first day of the month following your termination date, or the first day of the month following MERS' receipt of your retirement application, whichever is later.

Payments are issued electronically the 18th each month, unless it falls on a weekend/holiday, in which case it will be the business day prior.

1. Information about you

Last Name*		First Name*		Social Security Number*		Date of birth (mm/dd/yyyy)	
Mailing address*				City*		State*	Zip code*
Home email address				Phone number (with area code)*			
Name of employer*							
Marital status*		If divorced, were you married at any time during employment with this municipality?					
<input type="checkbox"/> Single <input type="checkbox"/> Married		<input type="checkbox"/> No <input type="checkbox"/> Yes – If yes, you must submit a complete copy of your <i>Judgment of Divorce</i> to MERS before your refund can be processed.					
		Ex-spouse(s) name(s)					

2. Your retirement

My last day of employment with this employer is/was*: _____ (See Section 2 of the Guide for details.)

My requested date of retirement is the 1st of: _____

(This is the 1st of the month following termination from employment, or 1st of the month following MERS' receipt of this application. If you deferred your retirement at termination from employment, MERS will assume you wish to commence benefits at full eligibility unless otherwise indicated here.)

I certify that this is a *bona fide termination* from this employer, meaning there is no formal or informal arrangement to rehire at any future date. This includes election or appointment to office with this employer. I understand that certain restrictions exist if I return to work with this employer, including: (1) A minimum separation of 60 days between my last day of employment and the first day I return to work; (2) A minimum separation of 2 years for an official returning to the SAME elected/appointed position; (3) If rehired to a non-elected/appointed, I will be restricted to 1,000 hours in a calendar year, and once my hours exceed this amount, my pension payments will be suspended until separated (*limit to hours is waived until after 12/31/2027*); and (4) I will notify MERS when rehired by completing the *Working In Retirement Certification (F-29c)*.

I understand that if I have not made a bona fide separation from service as defined above, my retirement will be voided and I will be obligated to repay all of the benefits I have been paid from the retirement date above.

Participant signature*	Date (mm/dd/yyyy)
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Application for Defined Benefit Retirement

Last name* (please print clearly)

Social Security Number*

3. Employer certification *(must be completed prior to submission)*

Only required if employee is currently employed with the employer above and is applying for retirement.

I certify on behalf of the employer that this employee will meet the requirements of a bona fide termination of employment and the employer/employee relationship will be completely severed on the **date listed in Section 2**, in accordance with the MERS Plan Document, Article II, Section 9, and the Internal Revenue Code.

Authorized employer representative (first and last name)

Title

Date (mm/dd/yyyy)

Employer's signature

4. Retirement benefit payment option

Your retirement benefit is for your lifetime regardless of the option you elect. You may leave a benefit for a beneficiary or one person who is the beneficiary of an irrevocable trust by taking a reduction to your pension benefit. Once you have chosen your payment option and receive your first payment, you may not change your election. (Refer to Section 4 of the Guide for details.)

Select one form of payment*:

Regular – Straight Life

Option IIA – 75% to Survivor

Option IV – Period Certain Guarantee
(Select one below)

Option II – 100% to Survivor

Option III – 50% to Survivor

5 years

10 years

15 years

20 years

 **View Payment Options video online** 

5. Beneficiary information

If you are married, your spouse is automatically your beneficiary (please confirm their information below). If the payment option you chose above is anything other than *Option II – 100% to Survivor* and/or if you name someone other than your spouse as your beneficiary, your spouse's signature will be required in Section 9 prior to MERS issuing your first payment. (See Section 5 in the Guide for an explanation of beneficiaries.) If you wish to name a trust as a Refund Beneficiary, please complete the [Certification of Trust \(Form DB-022b\)](#); if you're naming a trust as your Monthly Pension Beneficiary, complete the [Certification of Trust for Monthly Beneficiary \(Form DB-022\)](#), and submit along with this form.

In addition:

- If you have contributed to your retirement and elect the **Regular – Straight Life** option, it is strongly suggested you name a beneficiary(ies) to avoid complications with issuing a refund of remaining contributions (if any) in the case of your death.
- If you have elected a payment option that provides a monthly benefit to a beneficiary (**Option II – 100% to Survivor**, **Option IIA – 75% to Survivor**, or **Option III – 50% to Survivor**), you only may name *one person*, or an irrevocable trust that has *one person as the trust's beneficiary*. Your named beneficiary under these options cannot be changed once you have received your first payment.
- If you have elected either **Option IV** or the **Regular – Straight Life** option and want to add more than one beneficiary, please attach a separate list that you have signed and dated.

Beneficiary last name*

Beneficiary first name

MI

Beneficiary Social Security Number

Relationship

Date of birth (mm/dd/yyyy)

Daytime contact phone (area code and number)

Mailing address

City

State

Zip code

If you have elected Option IV and want to add more beneficiaries, please attach a separate list that you have signed and dated.

Application for Defined Benefit Retirement

Last name* (please print clearly)

Social Security Number*

6. Banking information

Primary account

Amount of deposit* <input type="checkbox"/> All <input type="checkbox"/> Partial \$ _____		Type of account* <input type="checkbox"/> Savings account <input type="checkbox"/> Checking account	
Financial Institution name*		Phone number (with area code)*	
ABA routing number (9 digit)*		Account number* (do not include check number)	

Secondary account: If you chose a partial payment above, the remainder of your pension payment will be directly deposited into a secondary account. Please provide that account information below.

Type of account <input type="checkbox"/> Savings account <input type="checkbox"/> Checking account	
Financial Institution name	Phone number (with area code)
ABA routing number (9 digit)	Account number (do not include check number)

MERS will deposit your monthly pension by direct deposit into the designated financial institution(s) as specified above. MERS reserves the right to recover money electronically deposited in your account in error, either by adjusting the account or withholding from future payments. We will notify you in writing if adjustments are being made. Please notify any joint account holder(s) of the obligations to repay any overpayment to this account if the overpayment is not repaid by the financial institution.

7. Michigan income tax withholding

Marital tax status* Single Married Married, but withhold at higher "Single" rate

	Select ONE option below that applies to you (or your spouse)	Tax withholding will occur on:
1. <input type="checkbox"/>	Your pension payments are not taxable and you wish to opt out of Michigan state tax withholding <i>(Opting out may result in a balance due on your MI-1040 as well as penalty and/or interest.)</i> See Optional section below for additional voluntary withholding.	None of your pension benefits
2. <input type="checkbox"/>	You (or spouse) were born before 1946	None of your pension benefits
3. <input type="checkbox"/>	You (or spouse if older) were born during the period 1946–1952	Benefits over \$20,000 if single; over \$40,000 if filing jointly
4. <input type="checkbox"/>	You (or spouse if older) were born 1946–1952 and one of you received pension benefits from a government agency not covered by Social Security - OR - You (and spouse) were born after 1952, one of you received a pension from a government agency not covered by Social Security, and one of you were retired from that agency as of January 1, 2013.	Benefits over \$35,000 if single; over \$55,000 if filing jointly
5. <input type="checkbox"/>	You (and spouse) were born after 1952, either of you are now age 62 through 66, and your pension benefits were from a government agency not covered by Social Security	Benefits over \$15,000
6. <input type="checkbox"/>	You (and spouse) were born after 1952	All pension benefits
7. <input type="checkbox"/>	You (and spouse) were born after 1952, either of you have reached age 67. Enter amount from Calculation Worksheet on last page of this form. _____ → \$ _____	

If you reside in Michigan and you do not submit this form, MERS will withhold based on Michigan tax regulations. For additional information, visit www.michigan.gov/taxes.

Optional – Select exemptions and additional withholding

If you checked 3, 4, 5, or 6 above, enter number of exemptions, if desired (this will reduce the amount withheld for taxes): _____

If you checked 3, 4, 5, 6 or 7 above, enter *additional* percentage or dollar amount, if any, you want withheld from your pension or annuity payment. This amount will be *in addition* to the withholding calculated by your selections above: _____% **OR** \$ _____

Application for Defined Benefit Retirement

Last name* (please print clearly)

Social Security Number*

8. Federal income tax withholding

Step 1. Federal Filing Status: **Single** or **Married filing separately** **Married filing jointly** or **Qualifying surviving spouse**
 Head of household (Check only if you're unmarried and pay more than half the costs of keep up a home for yourself and a qualifying individual.)

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Section 9. See the pages following the application for more information on each step and how to elect to have no federal income tax withheld (if permitted).

Step 2: Complete this step if you (1) have 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.

Income From a Job or Multiple Pension Annuities (Including a Spouse's Job or Pension/Annuity)

Do **only one** of the following:

(a) Reserved for future use.

(b) Complete the items below.

(i) If you (or your spouse) have one or more jobs, enter the total taxable annual pay from all jobs, plus any other income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b). Otherwise, enter "-0-" ▶ \$ _____

(ii) If you (or spouse) have another pension/annuity that pays less annually than this pension, enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter "-0-" ▶ \$ _____

(iii) Add the amounts from items (i) and (ii) and enter the **total** here ▶ \$ _____

TIP: To be accurate, submit an IRS Form W-4P for all other pensions/annuities if you haven't updated your withholding since 2021 or this is a new pension that pays less than the other(s). Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019. If you have self-employment income, see page 9.

If (b)(i) is blank and this pension/annuity pays the most annually, complete Steps 3-4(b) in this Section.
 Otherwise, do not complete Steps 3-4(b) in this Section.

Step 3: If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):

Claim Dependent and Other Credits

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 the bottom of the last page and enter the result here **4(b)** \$ _____

(c) **Extra withholding.** Enter any additional tax you want withheld from **each payment** **4(c)** \$ _____

Application for Defined Benefit Retirement

Last name* (please print clearly)

Social Security Number*

9. Required signatures

I acknowledge that I have completed, understand, and agree to this *Application for Defined Benefit Retirement*, as well as the provisions of the option I have elected. I fully understand that my choice is final and irrevocable after receipt of my first benefit payment.

I understand that certain restrictions exist if I return to work with this employer, including: (1) A minimum separation period of 60 days between my last day of employment and the first day I return to work; (2) A minimum separation period of 2 years for an official returning to the SAME elected/appointed position; (3) If rehired to a non-elected/appointed position, I will be restricted to 1,000 hours in a calendar year, and once my hours exceed this amount, my pension payments will be suspended until subsequently separated (*limit to hours is waived until after 12/31/2027*); and (4) I will notify MERS when rehired by completing the *Working in Retirement Certification Form (F-29c)*.

Participant signature*

Date (mm/dd/yyyy)

I (spouse of the above participant) understand that my spouse (above participant) wishes to choose a retirement benefit from MERS that does **NOT**:

1. Name me (spouse) as the *Beneficiary* and/or
2. Choose *100% to Survivor* in the *Form of Payment*.

Ignore below signature if not married, or if participant has designated spouse as Beneficiary and chosen 100% to Survivor.

I understand that my spouse's choice of payment option and/or naming of a beneficiary requires my consent. I hereby consent and agree to my spouse's choice, and I waive any right to contest this choice. If another individual is named beneficiary, I understand that I will not be entitled to a lifetime survivor's benefit in the event of my spouse's death. If my spouse has elected any Payment Option other than Option II, I understand I am waiving my right to any survivor or other benefit other than as specifically elected by my spouse.

Signature of spouse*

Spouse's full name (please print clearly)*

Date (mm/dd/yyyy)*

Data collected on this form will be used by MERS staff for identification and documentation only.

You can submit this form online!

If you already have a myMERS account, you can upload this form online. Look for the **File Upload** feature to easily and securely submit completed forms.

You may also mail completed form to:

**Municipal Employees'
Retirement System of Michigan**
1134 Municipal Way
Lansing, MI 48917
Fax: 517.703.9706

Guide to Completing the Application for Defined Benefit Retirement

1. Information about you

Enter your basic information – legal name, last four digits of your Social Security Number, contact information, and the name of the employer from which you are applying for a MERS retirement as well as marital status.

Get your Benefit Calculation online

Log in to your *myMERS* account at mersofmich.com and view an estimated Benefit Calculation any time. This may assist you in choosing which payment option is best for you.

2. Your retirement

This section refers to the last day you're paid by your employer. This day could include the use of vacation, leave days that you may not actually be present at work but still on your employer's payroll.

Your effective date of retirement is the first day of the month following your last day of employment, or the first date of the month following MERS' receipt of your retirement application, whichever is later.

Termination date =

- Your last day of employment with your employer
- Your last date you were paid by your employer (e.g., kept on payroll due to receiving vacation pay) this date does not reflect your final paycheck date; it reflects the last day you were on payroll with your employer)

EXAMPLE:

Your last day worked is January 20, 2015, + 2 days of vacation pay to keep you on payroll.

Termination date = January 22, 2015

Retirement date = February 1, 2015 (see below)

Note: If you previously terminated your employment, your termination date has already been reported to MERS; you may leave this field blank.

Retirement date =

- First day of the month following your termination of employment with your employer, OR
- First day of the month following MERS receipt of your application for retirement

Note: If you previously terminated your employment, your benefit will be effective the first of the month following your attainment of retirement age and service requirements and MERS receipt of your application.

Payments are not prorated for the month of termination. Retroactive payments are not issued for late applications.

3. Employer certification (this section must be completed by employer prior to submitting application to MERS)

This section must be completed and signed by your employer if you are currently working with the MERS employer you are retiring from.

If you have previously left this employer, this section can be skipped.

4. Retirement benefit payment option

Regular – Straight Life: The highest benefit amount you are eligible to receive. Benefits end the month following your death.

If you have contributed to your retirement and elect this option, it is suggested you name a beneficiary(ies). In the event you pass away prior to exhausting your contributions, a refund will be paid to your named beneficiary(ies). You may also name a trust, estate or charity. If no beneficiary is named or survives, any benefit payable will be distributed under the terms of the Plan.

If your employer provides an **RS benefit** and you elect this option, select Regular – Straight Life as your payment option in Section 4. Your spouse at the time of retirement is your beneficiary. An RS is an employer-adopted benefit that allows your spouse to receive a percent (defined by your employer) of your Straight Life benefit upon your death without your benefit having a reduction. To be eligible, you must be married to your spouse for at least one year before you retire, and still be married at the time of your death.

Option II – 100% ; IIA – 75%; and III – 50% to Survivor: Upon your death your beneficiary will receive 100%, 75%, or 50% of the amount you were receiving for your lifetime.

Once you have received your first payment, you may not name a new beneficiary. If your beneficiary predeceases you, your retirement benefit will revert to the Regular – Straight Life amount for the remainder of your life as long as MERS receives a copy of the death certificate during your lifetime. This reversion will be effective:

- commencing on the month following the month in which your beneficiary dies, if MERS receives the death certificate within 6 months of your beneficiary's death, or
- commencing on the month following the month in which MERS receives your beneficiary's death certificate, if MERS receives the death certificate later than 6 months after your beneficiary's death.

Guide to Completing the Application for Defined Benefit Retirement

Option IV – Period Certain Guarantee (5, 10, 15, or 20 years):

This option allows you to provide a beneficiary(ies) with survivor benefits for a temporary period of time. The number of years elected cannot exceed your life expectancy.

This option allows you to name one or more beneficiaries. You may change your beneficiary(ies) at any time by completing the *Option IV Beneficiary Change* (Form 41). If you are married, your spouse must consent to any changes that are made.

The certain period begins with the date of your retirement. If there is time remaining to the option you have elected, upon your death, payments will continue to be made in the same amount to your beneficiary(ies). For example if you elect the 10-year period, and die after 8 years, your beneficiaries will receive your monthly benefit for the remaining 2 years. Once the period certain has expired there is no continuing benefit for your beneficiaries. If you have named more than one beneficiary, the benefit will be paid equally to each named survivor.

5. Beneficiary information

Your retirement benefit is for your lifetime regardless of the option you elect. You may leave a benefit for a beneficiary by taking a reduction to your pension benefit. You must name an individual, not an estate or other entity, when electing a payment option (Option II, IIA, III) that provides a monthly benefit to a beneficiary. The one exception to this requirement is that you may name a valid, irrevocable trust that has one individual as the trust's beneficiary. If you wish to name a trust as a Monthly Pension Beneficiary, please complete the [Certification of Trust for Monthly Pension Beneficiary \(Form DB-022\)](#); if you're naming a trust as your Monthly Pension Beneficiary, complete the [Certification of Trust for Monthly Beneficiary \(Form DB-022\)](#) and submit along with this form, and submit it along with this form.

Once you have chosen your option and receive your first payment, you may not change your election. In certain instances, you may change your beneficiary. Please refer to Section 4 in this guide for details.

If you are married, your spouse must understand and agree with the retirement option you have elected, and the named beneficiary if other than your spouse. Their signature is required in Section 9 prior to MERS issuing your first payment.

6. Banking information

Please provide routing and account information only for the financial institution you would like your pension payments electronically deposited to.

If you choose to have only one direct deposit account, only fill out the *Primary account* information. If you choose to have two direct deposit accounts, please fill out both the *Primary* and *Secondary account* information.

See below for a sample check and where to find routing and account numbers.



Routing number

Account number

If you select a partial payment, the remainder will be directly deposited into a secondary account. Please fill in the *Secondary account* section with the financial institution's information.

7. Michigan income tax withholding

Michigan retirement benefits are subject to income tax for many recipients. This section is required to follow state tax guidelines for determining your withholding amounts. For additional information, visit www.michigan.gov/taxes.

8. Federal income tax withholding

General Instructions Federal income tax withholding

This section replicates information on *IRS Form W-4P* and serves as a substitute for that form. It is required by the IRS to be included in its entirety with this form. For additional information, go to www.irs.gov/FormW4P.

Purpose of this section is to withhold the correct amount of federal income tax from your MERS Defined Benefit pension. Federal income tax withholding applies to the taxable part of these payments. Periodic payments are made in installments at regular intervals (monthly) over a period of more than 1 year. For more information on withholding, see *IRS Pub. 505, Tax Withholding and Estimated Tax*.

Guide to Completing the Application for Defined Benefit Retirement

Choosing not to have income tax withheld. You can choose not to have federal income tax withheld from your payments by writing “No Withholding” in the space below Step 4(c) then submitting this form.

Generally, 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 territories.

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 *IRS Form W-4P*.

Self-employment. Generally, you will owe both income and self-employment taxes on any self-employment income you (or you and your spouse) receive. If you do not have a job and want to pay these taxes through withholding from your payments, you should enter the self-employment income in Step 4(a). Then compute your self-employment tax, divide that tax by the number of payments remaining in the year, and include that resulting amount per payment in Step 4(c). You can also add half of the annual amount of self-employment tax to Step 4(b) as a deduction. To calculate self-employment tax, you generally multiply the self-employment income by 14.13% (this rate is a quick way to figure your self-employment tax and equals the sum of the 12.4% social security tax and the 2.9% Medicare tax multiplied by 0.9235). See *IRS Pub. 505* for more information, especially if your self-employment income multiplied by 0.9235 is over \$160,200.

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 for Section 5 – Federal income tax withholding

Step 1. 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 have at least one of the following: (1) income from a job or more than one pension/annuity, and/or (2) a spouse (filing jointly) that receives income from a job/pension/annuity.

Example 1. Bob, a single filer, is completing this form for a MERS pension that pays \$50,000 a year. Bob also has a job that pays \$25,000 a year. Bob has no other pensions or annuities. Bob will use an *IRS Form W-4P* to enter \$25,000 in Step 2(b)(i) and in Step 2(b)(iii). If Bob also has \$1,000 of interest income, which he entered on *IRS Form W-4*, Step 4(a), then he will instead enter \$26,000 in Step 2(b)(i) and in Step 2(b)(iii). He will make no entries in Step 4(a) on this form.

Example 2. Carol, a single filer, is completing this form for a MERS pension that pays \$50,000 a year. Carol does not have a job, but she also receives another pension for \$25,000 a year (which pays less annually than the \$50,000 pension). Carol will enter \$25,000 in Step 2(b)(ii) and in Step 2(b)(iii). If Carol also has \$1,000 of interest income, then she will enter \$1,000 in Step 4(a) of this form.

Example 3. Don, a single filer, is completing this form for a pension that pays \$50,000 a year. Don does not have a job, but he receives another pension for \$75,000 a year (which pays more annually than the \$50,000 pension). Don will not enter any amounts in Step 2.

If Don also has \$1,000 of interest income, he won't enter that amount on this form because he entered the \$1,000 on the *IRS Form W-4P* for the higher paying \$75,000 pension.

Example 4. Ann, a single filer, is completing this form for a pension that pays \$50,000 a year. Ann also has a job that pays \$25,000 a year and another pension that pays \$20,000 a year. Ann will enter \$25,000 in Step 2(b)(i), \$20,000 in Step 2(b)(ii), and \$45,000 in Step 2(b)(iii).

If Ann also has \$1,000 of interest income, which she entered on *IRS Form W-4*, Step 4(a), she will instead enter \$26,000 in Step 2(b)(i), leave Step 2(b)(ii) unchanged, and enter \$46,000 in Step 2(b)(iii). She will make no entries in Step 4(a) of this form.

If you are married filing jointly, the entries described above do not change if your spouse is the one who has the job or the other pension/annuity instead of you.

CAUTION:

Multiple sources of pensions/annuities or jobs. If you (or if married filing jointly, you and/or your spouse) have a job(s), or a different pension/annuity that pays higher than this MERS pension, do NOT complete Steps 3 through 4(b) in this section. Instead, complete Steps 3 through 4(b) on *IRS Form W-4P* for the job or highest paying pension/annuity.

If you (or if married filing jointly, you and/or your spouse) do not have a job or a higher paying pension/annuity, complete Steps 3 through 4(b) on this form for only this MERS pension.

Guide to Completing the Application for Defined Benefit Retirement

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 *IRS Pub. 501, Dependents, Standard Deduction, and Filing Information*. 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 *IRS Form 1040-ES, Estimated Tax for Individuals*.

Step 4(b). Enter in this step the amount from the [Deductions Worksheet](#) (bottom of page 12), line 6, if you expect to claim deductions other than the basic standard deduction on your 2023 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 provide any information in this Section 8, then MERS 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 2023, your current withholding election (or your default rate) remains in effect unless you submit a new [IRS Form W-4P](#), including this substitute *IRS Form W-4P*.

9. Required signature(s)

Your signature acknowledges that you have read and agree to the terms of all elections. This voids all prior designations.

Spousal consent

If you are married, an election of Option II (Section 4) is effective unless another form of payment is signed by the spouse. Your spouse must understand and agree with the retirement option you have elected, and the named beneficiary (if other than your spouse). Their signature is required prior to MERS issuing your first payment.

Requests for changes to direct deposit, federal tax withholding, or state tax withholding must be received by MERS by the 1st of the month you are requesting change to be effective.

Worksheet to Estimate Withholding for Taxpayers Born After 1952 and Reached Age 67

(see Section 7 - Michigan Income Tax Withholding)

Recipients born after 1952 that have reached age 67 may choose to either (1) deduct the personal exemption amount and taxable Social Security benefits, military compensation (including retirement benefits), Michigan National Guard retirement benefits, and railroad retirement benefits included in adjusted gross income, or (2) claim a deduction against all income of \$20,000 if single or married filing separately, or \$40,000 if filing jointly. Benefits in excess of these limits are taxable. Complete ONE of the columns below based on your filing status to determine how much withholding is necessary on taxable benefits. Estimate your income this year based on last year's state and federal income tax returns even if you have not completed them yet.

	Single or Married Filing Separately	Joint
1. Standard Deduction – If you received retirement benefits from SSA exempt employment and were retired before January 1, 2013, the additional \$15,000 to the standard deduction does not apply to line 1.	\$20,000	\$40,000
2. Lines 2a–2d: Enter this year's estimated income by using last year's federal return, even if that return has not been filed yet.		
a. Taxable Social Security from last year's 1040, line 6b		
b. Military compensation (including military retirement benefits)		
c. Michigan National Guard retirement benefits		
d. Taxable railroad retirement benefits		
3. Enter the total of lines 2a through 2d		
4. Michigan exemption amount from last year's MI-1040, line 9a		
5. Subtract lines 3 and 4 from line 1. If lines 3 plus 4 are greater than line 1, enter "0"		
6. a. This year's retirement benefits with No Withholding		
b. Other income not subject to Michigan withholding (Examples: interest, dividends, and other investment income)		
7. Enter the total of lines 6a and 6b		
8. Subtract line 5 from line 7. If line 5 is greater than line 7, enter "0"		
9. Multiply line 8 by 4.25% (0.0425)		
10. Divide line 9 by 12 (since MERS issues 12 pension payments during the tax year). Enter here and on line 7 of Section 3 of this form.		

Deductions Worksheet

(see Federal Income Tax Withholding section – Step 4(b))

- 1 Enter an estimate of your 2023 itemized deductions (from Schedule A (IRS 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..... ► \$ _____
- 2 Enter:

<ul style="list-style-type: none"> • \$27,700 if you're married filing jointly or qualifying widow(er) • \$20,800 if you're head of household • \$13,850 if you're single or married filing separately]..... ►	\$ _____
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- 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-" ► \$ _____
- 4 If line 3 equals zero, and you (or your spouse) are 65 or older, enter:
 - \$1,850 if you're single or head of household
 - \$1,500 if you're married filing separately
 - \$1,500 if you're a qualifying widow(er) or you're married and one of you is under age 65
 - \$3,000 if you're married and both of you are age 65 or older
 Otherwise, enter "-0-". See *IRS Pub. 505* for more information ► \$ _____
- 5 Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments (from Part II of Schedule 1 (IRS Form 1040)). See *IRS Pub. 505* for more information ► \$ _____
- 6 **Add** lines 3 through 5. Enter the result here and in **Step 4(b)** in Section 5 - Federal income tax withholding ► \$ _____