



## TAXES AND YOUR STRS OHIO BENEFITS

### Service Retirement Benefits

If you paid taxes on some of your contributions, a small percentage of your benefit will be tax-free until your taxed contributions are exhausted. Information regarding your excludable amount will be sent to you shortly after your retirement is finalized.

#### Federal Income Tax

STRS Ohio is required to withhold federal taxes from STRS Ohio benefits unless you direct otherwise. If federal taxes are not withheld, you will be responsible for filing federal quarterly estimates.

#### Ohio Income Tax

If you are an Ohio resident, benefits are subject to Ohio income tax and may be subject to school district income tax. Ohio income tax will be withheld upon request. STRS Ohio cannot withhold school district taxes. If you are a resident of another state, the laws in that state govern your state tax liability. STRS Ohio cannot withhold tax for states other than Ohio.

#### Local or Municipal Taxes

STRS Ohio benefit payments are exempt from local or municipal taxes in Ohio.

### Disability Benefits

If you paid taxes on some of your contributions, a small percentage of your benefit will be tax-free until your taxed contributions are exhausted. Information regarding your excludable amount will be sent to you shortly after your retirement is finalized.

#### Federal Income Tax

Disability retirement payments are subject to federal tax and are fully taxable until you reach “minimum retirement age” under current Internal Revenue Service (IRS) regulations. At that point, a portion of the disability payment may be tax-free. Disability allowance payments are subject to federal tax and are always fully taxable.

#### Ohio, Municipal and School District Income Taxes

Disability benefits for Ohio residents may be tax-free if the disability is permanent and if you are unable to work for pay in any job for which you are qualified. If you are a resident of another state, the laws in that state govern your state tax liability. STRS Ohio cannot withhold tax for states other than Ohio. Disability benefits may also be excludable from municipal taxes and school district income taxes.

### Partial Lump-Sum Option Plan (PLOP)

Under federal tax laws, lump-sum payments paid directly to you that are eligible for rollover are subject to a mandatory 20% federal tax withholding. In addition, funds may be subject to a 10% penalty for early withdrawal. This penalty does not apply if the lump sum is withdrawn after age 59-1/2 or if you have separated from service and have taken payment in or after the year in which you turned age 55.

#### Federal Income Tax

If you are 72 or older, you may be subject to the required minimum distribution rules established by the Internal Revenue Code and will not be eligible to roll over the entire PLOP amount.

#### Ohio Income Tax

A PLOP payment is also subject to Ohio income tax for residents of the state and may be taxable in the state of residence for non-Ohio residents. Upon request, STRS Ohio will withhold Ohio income tax from your PLOP payment. If you are a resident of another state, the laws in that state govern your state tax liability. STRS Ohio cannot withhold tax for states other than Ohio.

## **Additional Information**

Your withholding status or amount must be entered on your *Service Retirement Application* or *Disability Benefit Application*. After retirement you may change your withholding status in your Online Personal Account.

If you have not opted out of receiving paper copies, in January you will be mailed a 1099-R form for monthly benefits showing “annual gross benefits” and “taxable amount” as computed by STRS Ohio. This form is also made available in your Online Personal Account.

If a PLOP payment is elected, and you have not opted out of receiving paper copies, a 1099-R form will be mailed in January of the year following the PLOP payment. It will also be available in your Online Personal Account.

## **Contacts**

For federal tax information, contact the IRS:

- At your local IRS office
- By phone at 800-829-1040
- Online at [www.irs.gov](http://www.irs.gov)

For state of Ohio tax information, contact the Ohio Department of Taxation:

- At your local Taxpayer Service Center
- By phone at 800-282-1780
- Online at [www.tax.ohio.gov](http://www.tax.ohio.gov)

## **Withholding Certificate and Tables for Pension or Annuity Payments**

The sample W-4P federal tax withholding certificate and Ohio tax withholding table on the following pages are provided as a guide in determining your desired withholding amount. Your withholding status or amount must be entered on your *Service Retirement Application* or *Disability Benefit Application*. After retirement you may change your withholding status in your Online Personal Account at [www.strsoh.org](http://www.strsoh.org).

# Federal Income Tax Withholding

## Step 1: Federal Withholding

- 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.** Visit [www.irs.gov](http://www.irs.gov) and search for “Withholding Certificate for Periodic Pension or Annuity Payments” for detailed instructions and worksheets for completing tax withholding information.

## 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.

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) 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) <b>Other income (not from jobs or pension/annuity payments).</b> 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) <b>Deductions.</b> If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet, “Withholding Certificate for Periodic Pension or Annuity Payments,” available at <a href="http://www.irs.gov">www.irs.gov</a> . Enter the result here . . . . .	4(b)	\$ _____
(c) <b>Extra withholding.</b> Enter any additional tax you want withheld from <b>each payment</b> . . . . .	4(c)	\$ _____

## 2023 State of Ohio Monthly Withholding Tables

Wages		Withholding Allowances Claimed				
More than	But not over	0	1	2	3	4
The amount of income tax to be withheld is						
\$0	80	0.40	0.13	0.00	0.00	0.00
80	90	0.45	0.18	0.00	0.00	0.00
90	100	0.50	0.23	0.00	0.00	0.00
100	110	0.55	0.28	0.01	0.00	0.00
110	120	0.60	0.33	0.06	0.00	0.00
120	130	0.65	0.38	0.11	0.00	0.00
130	140	0.70	0.43	0.16	0.00	0.00
140	150	0.75	0.48	0.21	0.00	0.00
150	160	0.80	0.53	0.26	0.00	0.00
160	170	0.85	0.58	0.31	0.04	0.00
170	180	0.90	0.63	0.36	0.09	0.00
180	190	0.95	0.68	0.41	0.14	0.00
190	200	1.00	0.73	0.46	0.19	0.00
200	220	1.10	0.83	0.56	0.29	0.02
220	240	1.20	0.93	0.66	0.39	0.12
240	260	1.30	1.03	0.76	0.49	0.22
260	280	1.40	1.13	0.86	0.59	0.32
280	300	1.50	1.23	0.96	0.69	0.42
300	320	1.60	1.33	1.06	0.79	0.52
320	340	1.70	1.43	1.16	0.89	0.62
340	360	1.80	1.53	1.26	0.99	0.72
360	380	1.90	1.63	1.36	1.09	0.82
380	400	2.00	1.73	1.46	1.19	0.92
400	440	2.32	1.93	1.66	1.39	1.12
440	480	2.72	2.18	1.86	1.59	1.32
480	520	3.12	2.58	2.06	1.79	1.52
520	560	3.52	2.98	2.44	1.99	1.72
560	600	3.93	3.38	2.84	2.30	1.92
600	640	4.33	3.78	3.24	2.70	2.16
640	680	4.73	4.18	3.64	3.10	2.56
680	720	5.13	4.58	4.04	3.50	2.96
720	760	5.53	4.98	4.44	3.90	3.36
760	800	5.93	5.38	4.84	4.30	3.76
800	840	6.39	5.79	5.24	4.70	4.16
840	880	7.20	6.19	5.64	5.10	4.56
880	920	8.00	6.91	6.04	5.50	4.96
920	960	8.80	7.71	6.63	5.90	5.36
960	1,000	9.60	8.52	7.43	6.34	5.76
1,000	1,040	10.40	9.32	8.23	7.15	6.16
1,040	1,080	11.21	10.12	9.03	7.95	6.86
1,080	1,120	12.01	10.92	9.84	8.75	7.66
1,120	1,160	12.81	11.72	10.64	9.55	8.47
1,160	1,200	13.61	12.53	11.44	10.35	9.27
1,200	1,240	14.41	13.33	12.24	11.16	10.07
1,240	1,280	15.36	14.13	13.04	11.96	10.87
1,280	1,320	16.36	15.01	13.85	12.76	11.67
1,320	1,360	17.37	16.01	14.65	13.56	12.48
1,360	1,400	18.37	17.01	15.65	14.36	13.28
1,400	1,440	19.37	18.01	16.66	15.30	14.08
1,440	1,480	20.37	19.01	17.66	16.30	14.94
1,480	1,520	21.37	20.02	18.66	17.30	15.95

Wages		Withholding Allowances Claimed				
More than	But not over	0	1	2	3	4
The amount of income tax to be withheld is						
1,520	1,560	22.38	21.02	19.66	18.30	16.95
1,560	1,600	23.38	22.02	20.66	19.31	17.95
1,600	1,660	24.88	23.52	22.17	20.81	19.45
1,660	1,720	26.65	25.03	23.67	22.31	20.96
1,720	1,780	28.46	26.83	25.20	23.82	22.46
1,780	1,840	30.26	28.63	27.00	25.38	23.96
1,840	1,900	32.06	30.44	28.81	27.18	25.55
1,900	1,960	33.87	32.24	30.61	28.98	27.35
1,960	2,020	35.67	34.04	32.41	30.79	29.16
2,020	2,080	37.47	35.85	34.22	32.59	30.96
2,080	2,140	39.28	37.65	36.02	34.39	32.76
2,140	2,200	41.08	39.45	37.83	36.20	34.57
2,200	2,260	42.89	41.26	39.63	38.00	36.37
2,260	2,320	44.69	43.06	41.43	39.80	38.18
2,320	2,380	46.49	44.86	43.24	41.61	39.98
2,380	2,440	48.30	46.67	45.04	43.41	41.78
2,440	2,500	50.10	48.47	46.84	45.21	43.59
2,500	2,560	51.90	50.28	48.65	47.02	45.39
2,560	2,620	53.71	52.08	50.45	48.82	47.19
2,620	2,680	55.51	53.88	52.25	50.63	49.00
2,680	2,740	57.31	55.69	54.06	52.43	50.80
2,740	2,800	59.12	57.49	55.86	54.23	52.60
2,800	2,860	60.92	59.29	57.66	56.04	54.41
2,860	2,920	62.73	61.10	59.47	57.84	56.21
2,920	2,980	64.53	62.90	61.27	59.64	58.02
2,980	3,040	66.33	64.70	63.08	61.45	59.82
3,040	3,100	68.14	66.51	64.88	63.25	61.62
3,100	3,160	69.94	68.31	66.68	65.05	63.43
3,160	3,220	71.74	70.11	68.49	66.86	65.23
3,220	3,280	73.55	71.92	70.29	68.66	67.03
3,280	3,333	75.14	73.51	71.88	70.25	68.63
3,333	6,667	3.506% of the excess over \$3,333 plus				
		75.14	73.51	71.88	70.25	68.63
6,667	8,333	4.008% of the excess over \$6,667 plus				
		192.03	190.13	188.23	186.33	184.43
8,333 and over		5.009% of the excess over \$8,333 plus				
		258.81	256.64	254.46	252.29	250.12

**STATE TEACHERS RETIREMENT SYSTEM OF OHIO**  
 275 East Broad Street  
 Columbus, OH 43215-3771  
 888-227-7877  
 www.strsoh.org