

MEMO# 34268

August 23, 2022

ICI and Other Organizations Request that IRS Delay Implementation of New Pension Withholding Forms

[34268]

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TO: ICI Members

Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension

Tax RE: ICI and Other Organizations Request that IRS Delay Implementation of New Pension Withholding Forms

ICI and several other trade organizations[\[1\]](#) submitted the attached letter to the IRS regarding the newly redesigned forms for withholding on retirement plan distributions, Forms W-4P (Withholding Certificate for Periodic Pension or Annuity Payments) and W-4R (Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions). As previously reported, the IRS posted final versions of the redesigned withholding forms for 2022 earlier this year and indicated that use of the 2022 forms would be optional until 2023.[\[2\]](#)

The letter requests that the IRS delay implementation of the redesigned forms such that they remain optional for the 2023 tax year and that additional guidance be provided as soon as possible. In the letter, the signatory organizations also request a meeting with IRS to discuss our concerns with the redesigned forms and needed guidance.[\[3\]](#)

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Associate General Counsel - Retirement Policy

endnotes

[1] In addition to ICI, the signatories include: American Benefits Council, American Council of Life Insurers, American Retirement Association, Association of School Business Officials International, Committee of Annuity Insurers, Insured Retirement Institute, National Association of Government Defined Contribution Administrators, National Association of State Retirement Administrators, National Conference on Public Employee Retirement Systems, National Coordinating Committee for Multiemployer Plans, National Council on Teacher Retirement, Securities Industry and Financial Markets Association, and SPARK Institute.

[2] See ICI Memorandum No. 33985, dated January 6, 2022, available at <https://www.ici.org/memo33985> and ICI Memorandum No. 33889, dated November 9, 2021, available at <https://www.ici.org/memo33889>.

[3] ICI members have raised concerns about several aspects the new forms, including uncertainty around acceptance of withholding elections different from the applicable default rate of withholding, the mechanism for opting out of withholding, and the use of substitute electronic forms.

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