CHAPTER 90. WITHHOLDING

SUBCHAPTER 1. GENERAL PROVISIONS

710:90-1-13. Pensions, annuities, and certain other deferred income

(a) **Treatment of designated distributions.** Designated distributions, as defined by the Internal Revenue Code (IRC), Section 3405, whether periodic or non-periodic, may be subject to Oklahoma income tax withholding.

(b) **Treatment of periodic payments.** The amount to be withheld from a periodic payment is determined as if it were a payment of wages. The marital status and number of withholding allowances a recipient may claim in determining the tax to be withheld shall be claimed on Form OK-W-4-P, Withholding Certificate for Pension or Annuity Payments.

(1) If the recipient has not provided a withholding certificate, tax will be withheld as if the recipient were married and claiming three (3) withholding allowances.

(2) The recipient can choose not to have tax withheld, regardless of how much tax is owed for the previous year, or is expected to be owed in the current year.

(c) **Treatment of non-periodic payments.** ~~Tax will be withheld at the top marginal individual income tax rate on any non-periodic payments.~~ Recipients of non-periodic payments use Form OK-W-4-R, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions, to make their withholding election. Recipients may:

(1) ~~The recipient must use Form OK-W-4-R, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions to determine whether income tax will be withheld.~~Elect to have income tax withheld at the top marginal individual income tax rate;

(2) ~~The recipient can also use Form OK-W-4-R, to choose not to have tax withheld.~~Elect to have income tax withheld at the top marginal rate plus an additional amount; or

(3) Elect to have no income tax withheld.

(d) **Employer contributions.** Employer contributions to qualified cash or deferred arrangements are not subject to Oklahoma withholding tax.