



Tax Withholding Form

Name of Payee: _____ Employee ID: _____

State of Residence: _____

Instructions

You must complete this Tax Withholding Form unless you elect a lump sum distribution of your benefit. It is suggested that you seek advice from an individual familiar with your tax situation before completing the form. Note that the information provided below relates to withholding on monthly payment amounts only. If you elect a lump sum distribution of your benefit, the amount required by law will be withheld from your distribution. For Federal tax purposes, the required withholding is 20% if you elect to receive the distribution as cash. The amount required to be withheld for state tax purposes varies by state.

Please read the information below before you begin entering any information. The form should be completed based on your personal tax situation and returned to the Dow North America Benefits – Pension Paperwork address listed below. Please note that Federal Income Tax withholding applies to all monthly pension payments and State Tax rules vary depending on your state of residence.

Depending on your state of residence, you may choose to:

- Have an additional fixed dollar amount withheld;
- Have tax withheld based on marital status and number of allowances; or,
- Have no tax withheld and be liable for any required tax payments.

If the form is not submitted, taxes will be calculated based on the state default rules. If withholding is required, this amount will be withheld from your pension payment.

Estimated Tax Payments

If you elect not to have taxes withheld, or if the amount of federal income tax withheld is not enough, you may be responsible for the payment of an estimated tax during the year, and for filing Form 1040-ES (Declaration of Estimated taxes for Individuals). You may incur penalties under the estimated tax rules if your withholding and any estimated tax payments you make are not sufficient.

Revoking Tax Withholding Elections After You Retire

Your election will remain in effect until you revoke it. You may revoke your election at any time by returning a new signed and dated Tax Withholding Form to the address listed below. You may change or revoke withholding elections as often as you wish. Any change will be processed as received, but generally will be effective no later than the second month after its receipt.

**RETURN ALL FORMS AND DOCUMENTATION TO:
Dow North America Benefits – Pension Paperwork
DEPT: DOW
PO Box 981901
El Paso, TX 79998**

Note: Only United States Postal Service mail will be accepted; please use Priority or Express mail for expedited service. You may also post all forms and documentation via Message Center at <https://dowbenefits.ehr.com>.

I. State Tax Withholding Information

- If you reside in **Iowa, Kansas, Massachusetts, Nebraska, Vermont or Virginia**, and you have federal tax withheld from your pension/annuity payment, it is mandatory that state tax also be withheld. No separate state election is allowed. If you want **no** state tax withheld, and you reside in one of the above states, you **MUST** elect to have **no** federal tax withheld below.
- If you reside in **Arkansas, California, Delaware, Georgia, Maine, Oklahoma or Oregon**, your state tax withholding will be the same as your federal tax election below, unless you indicate in the election box in Section II of this form a different election for state purposes.
- If you reside in **Alabama, Colorado, DC, Idaho, Indiana, Kentucky, Louisiana, Maryland, Minnesota, Missouri, Montana, North Carolina, North Dakota, New Jersey, New Mexico, New York, Ohio, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Utah, Wisconsin or West Virginia** state tax withholding is voluntary, but a tax form is still required.
- The states of **Alaska, Florida, Hawaii, Mississippi, Nevada, New Hampshire, Illinois, South Dakota, Tennessee, Texas, Washington**, and **Wyoming** do not require state tax withholding on pension/annuity payments. If you reside in any of these states you should not elect to have state tax withheld.
- If you reside in **Arizona** and wish to have state tax withheld, you must generally choose one of the following percentages: 0%, 0.8%, 1.3%, 1.8%, 2.7%, 3.6%, 4.2%, or 5.1%.
- If you reside in **Michigan**, you might be required to have state taxes withheld. The MI Form W-4P can be found on the State of Michigan website at https://www.michigan.gov/documents/taxes/4924_365368_7.pdf.
- If you reside in **Connecticut** and you wish to make a withholding election, you must complete Form CT-W4P, which can be found on the State of Connecticut website at <http://www.ct.gov/drs>. Otherwise, taxes will be withheld.

II. Federal and State Tax Withholding Election

Please elect your federal and state income tax withholding for your monthly pension payments by checking the applicable boxes below. You need to elect withholding for both federal and state income taxes. ***If this withholding election is not returned or is completed incorrectly, federal income taxes will be withheld as if you are a married individual claiming three withholding allowances and the default state tax election for your state of residence will be applied.***

Federal Tax

1. **No Withholding.** I elect to have no federal income tax withheld from my monthly payments. I understand that I remain liable for payment of federal income taxes and may be subject to tax penalties under the estimated tax rules if my payments of estimated tax and withholding are not adequate.
2. **Standard Withholding.** I elect to have my federal income tax withholding taken from each monthly payment. This amount should be determined based on the marital status and number of allowances indicated below.
 - Single and ___ allowances (**you must** enter number of allowances)
 - Married and ___ allowances (**you must** enter number of allowances)
 - Married but at a higher single rate and ___ allowances (**you must** enter number of allowances)
3. **Additional Withholding.** I elect to have the following additional amount withheld from each of my monthly payments \$_____. (**Note:** For periodic payments, you cannot enter an amount here without electing a marital status and the number (including zero) of allowances on line 2. Please leave blank if not applicable.)

State Tax – All state tax elections are subject to the rules in effect in your state of residence.

1. **No Withholding.** (Not available in all states) I elect to have no state income tax withheld from my monthly payments. I understand that I remain liable for payment of state income taxes and may be subject to tax penalties under the estimated tax rules if my payments of estimated tax and withholding are not adequate.
2. **Standard Withholding.** I elect to have my state income tax withholding taken from each monthly payment. This amount should be determined based on the marital status and number of allowances indicated below.
 - Single and ___ allowances (**you must** enter number of allowances)
 - Married and ___ allowances (**you must** enter number of allowances)
 - Married but at a higher single rate and ___ allowances (**you must** enter number of allowances)
3. **Arizona Only – Percentage withholding election.** I elect to have Arizona income taxes withheld from each of my monthly payments at the percentage checked (check only one percentage):
 - 0.0% 0.8% 1.3% 1.8% 2.7% 3.6% 4.2% 5.1%
4. **Additional Withholding.** I elect to have the following additional amount withheld from each of my monthly payments \$_____. (Please leave blank if not applicable.) (Not available in all states.)
5. **Flat Tax Withholding.** I elect to have the following amount withheld from each of my monthly payments instead of standard withholding: \$_____. (Not available in all states.) I understand that I remain liable for payment of state income taxes and may be subject to tax penalties under the estimated tax rules if my payments of estimated tax and withholding are not adequate.

Signature of Payee

Date

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