



Montana Teachers' Retirement System FACT SHEET: Tax Withholding on Monthly Benefits

If you are a Montana Teachers' Retirement System (TRS) benefit recipient, a portion of your monthly benefit may be considered taxable income for both federal¹ and Montana state² income tax purposes. TRS recommends you consult a tax professional to determine whether your current withholding will cover your income tax liability.

TRS provides two easy ways to review your current tax withholding status and to obtain the necessary tax withholding certificates to make changes:

- You may use **My TRS**, the secure online member portal.
 - Visit our website (trs.mt.gov) and click the Login button at the top of the page. Then select “My TRS Member Login” and follow instructions to complete the identity verification step.
 - Once you are signed in to My TRS, choose “My Benefit Info” then “My Tax Withholding” from the menu to see your gross monthly benefit, current federal tax withholding, Montana tax withholding (if any), and net monthly benefit. You may also enter different withholding amounts and click the “Preview Tax Changes” button to estimate how those changes would affect your net monthly benefit. (*Note:* These changes are for illustration purposes only and are not saved.)
 - To implement your changes, use the links provided on the “My Tax Withholding” page to print the appropriate tax withholding certificates.
- You may call a member of the TRS Retired Payroll staff.
 - Our staff can explain how increasing or decreasing your federal and/or Montana state income tax withholding would affect your monthly benefit. They can mail you the appropriate forms to formalize any changes you decide to make, or you can print them from our website. To find them, go to trs.mt.gov and choose “Forms and Publications,” then “Member Forms.”

TRS will not update your income tax withholding until your completed, signed form(s) have been received.

Each year, near the end of January, TRS will send you **IRS Form 1099-R** for filing your income tax returns. Please be aware that Form 1099-R will not be forwarded to another address, even if you have a mail forwarding request on file with the postal service. You must submit any address changes to TRS in writing.

Questions?

If you have any questions about the content of this Fact Sheet, please contact us.

Montana Teachers' Retirement System ♦ 406-444-3134 ♦ 866-600-4045 ♦ trs.mt.gov

Please Note: This Fact Sheet is intended to provide a concise, easy-to-understand summary of TRS law and policy. The actual application of TRS law will depend upon the specific circumstances and facts presented. In determining the rights and obligations of any person, TRS law will supersede any contradictory information provided in this Fact Sheet.

¹ **IRS Publication 575 Pension and Annuity Income** explains federal tax treatment of distributions you receive from pension and annuity plans like TRS. The document can be found on the IRS website: irs.gov/publications

² TRS cannot withhold income taxes for any state other than Montana. To find information about Montana state income tax requirements, visit the Montana Department of Revenue website: revenue.mt.gov/taxes/