



## 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 federal<sup>1</sup> and Montana state<sup>2</sup> income tax purposes. TRS recommends you consult a tax professional to determine whether your current withholding is adequate to 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](https://trs.mt.gov)) and select the “Member Login” link to access My TRS. Follow instructions to create your user account or to log in with your existing account.
  - Once you are logged in, select the “My Tax Withholding” menu option to review your gross monthly benefit, current federal and Montana tax withholding (if any), and current net monthly benefit. You may enter different values for federal and Montana state withholding and click the “Recalculate” button to estimate how those changes would affect your net monthly benefit. (*Note: Any changes you enter on “My Tax Withholding” are for illustration purposes only.*)
  - To implement your changes, use the links provided on the “My Tax Withholding” page to print the appropriate tax withholding forms.
- 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 public website.<sup>3</sup>

TRS will not update your current 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.

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**Montana Teachers' Retirement System ♦ 406-444-3134 ♦ 866-600-4045 ♦ [trs.mt.gov](https://trs.mt.gov)**

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**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.*

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<sup>1</sup> **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](https://irs.gov/publications)

<sup>2</sup> 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: [mtrevenue.gov/taxes](https://mtrevenue.gov/taxes)

<sup>3</sup> Go to [trs.mt.gov/TrsInfo/Forms](https://trs.mt.gov/TrsInfo/Forms) and locate income tax withholding forms **W-4P** (federal) and **115** (Montana state).