

2023 IOWA TAX WITHHOLDING UPDATE

Effective beginning with the January 2023 benefit payments, MFPRSI will stop withholding Iowa income tax for beneficiaries exempt from withholding under the Iowa income exclusion law.

On December 5, 2022, the Iowa Department of Revenue released updated Iowa income tax withholding guidance for House File (HF) 2317. The Iowa General Assembly ratified, and Governor Kim Reynolds signed, HF 2317 on March 1, 2022. HF 2317 excludes most retirement income from state taxable income for eligible taxpayers for tax years beginning January 1, 2023.

If you qualify for the exemption, but want to withhold Iowa income tax, you will need to complete a new Iowa W-4P form. The 2023 W-4P form can be found on the Iowa Department of Revenue's website, as follows: <https://tax.iowa.gov/sites/default/files/2022-12/2023IAW-4P%2844020%29.pdf>. MFPRSI will continue to withhold Federal income tax based on your Federal W-4P on file.

A notice was also included in the December payroll detailing the tax-exempt status of beneficiaries.

For questions, please contact MFPRSI at pensions@mfprsi.org or 515-254-9200.

MFPRSI BENEFICIARIES EXEMPT FROM IOWA TAX WITHHOLDING

**Exempt from Withholding under Iowa Income Exclusion Law
Effective January 1, 2023**

	Yes	No	Conditional	Conditions
Service Retiree	X			
Service Retiree Alternate Payee (MPO)			X	Eligible upon payee's 55th birthday
Surviving Spouse of Service Retiree	X			
Surviving Child of Service Retiree	X			
Term Vested Service Retiree	X			
Term Vested Retiree Alternate Payee (MPO)			X	Eligible upon payee's 55th birthday
Surviving Spouse of Term Vested Retiree	X			
Surviving Child of Term Vested Retiree	X			
Accidental Disability Retiree	X			
Accidental Disability Alternate Payee (MPO)			X	Eligible upon payee's 55th birthday
Surviving Spouse of Accidental Disability Retiree	X			
Surviving Child of Accidental Disability Retiree	X			
Ordinary Disability Retiree	X			
Ordinary Disability Alternate Payee (MPO)			X	Eligible upon payee's 55th birthday
Surviving Spouse of Ordinary Disability Retiree	X			
Surviving Child of Ordinary Disability Retiree	X			
Surviving Spouse of Accidental Death	X			
Surviving Child of Accidental Death	X			
Surviving Spouse of Ordinary Death			X	Eligible upon earlier of member's or spouse's 55th birthday
Surviving Child of Ordinary Death			X	Eligible upon member's 55th birthday
DROP Lump-Sum	X			
DROP Lump-Sum to Alternate Payee (MPO)			X	Eligible upon payee's 55th birthday
Refund of Contributions - Member under Age 55		X		
Refund of Contributions - Member 55 or older	X			

Last Updated December 14, 2022

This outline reflects changes made to the Iowa retirement income exclusion during the 2022 Iowa Legislative Session. As of the date of this summary, the Iowa Department of Revenue has not yet issued proposed or final rules implementing those changes. The income tax withholding guidelines set forth in this outline are subject to change in response to future guidance issued by the Iowa Department of Revenue.