

Oregon Withholding Rules

Supplement to Special Tax Notice | 403(b) Retirement Plan

In general, benefit payments made to Oregon residents, except for housing allowance distributions, are subject to Oregon income tax withholding. However, direct rollovers are not subject to Oregon withholding. When Oregon withholding applies, Oregon allows you to adjust your withholding amount or completely waive withholding. For Oregon residents, unless you elect otherwise on your Benefit Payment Election Form, your state withholding will be taken out as if you are single claiming no exemptions.

Three Different Approaches

If you are having a payment made directly to you as described in Part 3B of the accompanying Special Tax Notice, you can:

- 1 Elect To Have No Oregon Withholding** — You must check one of the first two boxes under the Income Tax Withholding section on your 403(b) Benefit Payment Election form. For example, if you intend to make an Indirect Rollover into a traditional IRA or your new employer's eligible retirement plan, you will want to have no Oregon withholding taken out.
- 2 Elect a Specific Percentage of Oregon Withholding** — You must check one of the second two boxes under the Income Tax Withholding section on your 403(b) Benefit Payment Election form. Fill in the percentage you want withheld for state taxes.
- 3 Make No Election With Regard to Oregon Withholding** — If you do not check any box under the Income Tax Withholding section on your 403(b) Benefit Payment Election form, the Plan Administrator is required to withhold 8% of the amount of the distribution.

Changing Your Election

You can change your withholding election at any time but only as it relates to payments that have not yet been made. You also need to allow for time to process your change. If you want to change your withholding, contact the Plan Administrator for the details.

