

TAX INFORMATION

Most IPERS benefits are subject to federal income taxes but are excluded from Iowa income taxes under certain conditions. We will withhold taxes from your retirement benefit, per your direction.

Legislative Update

On March 1, 2022, Governor Reynolds signed a tax reform bill that excludes retirement income, including IPERS benefit payments, from Iowa income taxes. The information on this page will help you know whether you are eligible for the exclusion and how you can continue to claim Iowa withholdings if you choose to.

Eligibility Requirements

Beginning January 1, 2023, income from the following sources of retirement income may be excluded from Iowa income taxes:

- Pensions.
- Annuities.
- Self-employed retirement plans.
- Deferred compensation plans.
- IRAs.
- Some other retirement benefit plans.

The following individuals qualify for the exclusion:

- Those who are 55 years of age or older.
- Those who are disabled*.
- Surviving spouses or other qualifying survivors who receive retirement income due to the death of an individual who would have qualified for the exclusion.

*To be considered disabled you must be receiving retirement income on the basis of a documented disability or you must meet federal or state criteria for a disability. Federal Civil Service annuitants who want Iowa taxes withheld from federal pensions should contact the Office of Personnel Management at 888-767-6738 or retire@opm.gov.

Withholdings

Effective January 31, 2023, IPERS stopped withholding from retirement benefits for members who appeared to qualify for the tax exclusion. If you still want Iowa withholdings, or if you want to change your federal withholding, please complete and submit the state and/or federal W-4P form in the [Forms section](#).

If you will be retiring, IPERS will withhold Iowa income tax unless you indicate on your Iowa W-4P that your IPERS benefits are excluded.

