

Understanding your lump sum COLA Notice

PERS sends individualized Cost-of-Living Adjustment (COLA) notices in late June/early July of each year to inform retirees of their December COLA amount and the amount to be withheld in federal taxes.

Tax withholdings from a benefit recipient's lump sum COLA payment are in accordance with the applicable tax tables and based on the marital status and exemptions preferences set by the recipient on his or her monthly benefit payment. Once an individual receives and reviews his or her notice, he or she may make changes before the COLA is paid in December to his or her tax withholding.

Retirees who would like to adjust their lump sum COLA tax withholding preference should indicate the preferred change on the notice and return that portion of the notice (see example below) to PERS by the last working day in October.

If a retiree did not receive his or her COLA notice, he or she should contact PERS for a duplicate to be mailed. If a retiree would like to change from an annual lump sum COLA to monthly payments, he or she should complete and submit a PERS Form 20, *Election for Monthly Cost-of-Living Adjustment*.

1

Indicate Amount to Withhold

To change the amount of tax withholding, the benefit recipient should write in the preferred new amount here.

2


Sign

Signature of the benefit recipient

3

Date

Date of signing

 **2018 Cost-of-Living Adjustment Notice**

Date _____

Dear Mr. John Smith **Benefit Recipient ID:** XXXXX

As a benefit recipient from the Public Employees' Retirement System of Mississippi, you receive a Cost-of-Living Adjustment (COLA) to that benefit, which, at retirement, you selected to receive annually on December 15 as a lump sum payment. This lump sum payment increases each year as the cost-of-living adjustment is applied. Your December 15, 2018, lump sum payment will be issued by direct deposit on or about December 15, 2018, or sent by mail from Jackson, Mississippi, on or about December 15, 2018 (whichever manner you receive your monthly benefits). See the following tables for details about your COLA and lump sum payment.

Your Cost-of-Living Adjustment for FY 2019 (July 1, 2018 – June 30, 2019)	\$874.50
Your Lump Sum Payment dated December 15, 2018 (Includes COLA for FY 2019)	
Gross Payment Amount	\$7,814.30
Estimated Federal Tax Withholding*	- \$1,466.18
Net Payment Amount	\$6,348.12

* *Federal Tax Withholding is based on the tax withholding preferences you elected for your monthly PERS retirement benefit (e.g., marital status and exemptions claimed). To adjust the tax withholding preferences you elected for your monthly retirement benefit, contact PERS from 8 a.m. to 5 p.m. weekdays at 800-444-7377 or 601-359-3589. Please, have your Social Security number available when you call. To adjust the Federal Tax Withholding amount from your Lump Sum Payment dated December 15, 2018, detach and complete the form below then send to PERS at the address on the bottom of this page. To change from annual lump sum to monthly COLA payments, complete and submit PERS Form 20, Election for Monthly Cost of Living Adjustment, which can be downloaded from www.pers.ms.gov.*

-----Detach here to complete and return your Federal Tax Withholding Adjustment Request -----

**Federal Tax Withholding Adjustment Request
for Lump Sum Payment dated December 15, 2018**

Detach, complete, sign, date, and return this form on or before Friday, October xx, 2018, to the address below to adjust your federal tax withholding amount for your lump sum payment dated December 15, 2018. **Do not return this form if you do not want to adjust your federal tax withholding for your lump sum payment.**

Please withhold **1** _____ from my lump sum payment dated December 15, 2018, instead of \$18,153.12, as listed above. **Note:** This change will not affect monthly base benefit payments.

Plan Name: PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI
Recipient: JOHN SMITH **Benefit Recipient ID:** XXXXX
Account Owner: JOHN SMITH **Account Owner ID:** XXXXX

2 _____ **3** _____
Signature of Benefit Recipient Date of Signature

Public Employees' Retirement System of Mississippi
429 Mississippi Street, Jackson, MS 39201-1005 800.444.7377 601.359.3589 601.359.6707, fax www.pers.ms.gov