## Using the form W-4

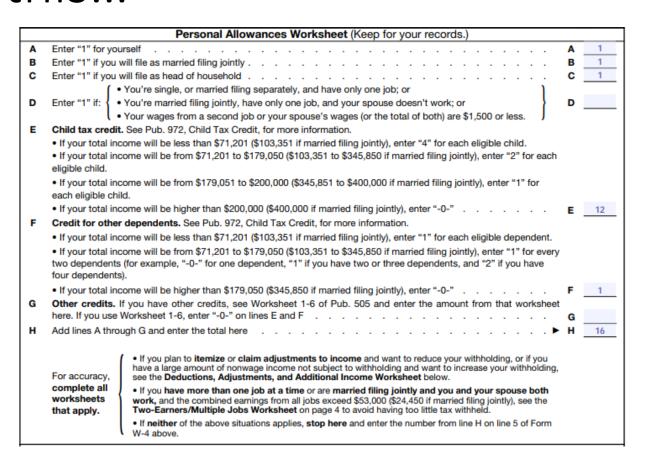
A Walkthrough



The following is for demonstration purposes only and is not to be considered tax advice. If you have questions you should consult your tax professional or the IRS.

The IRS has created an online application to help you complete the form W-4. Visit <a href="https://apps.irs.gov/app/tax-withholding-estimator/about-you">https://apps.irs.gov/app/tax-withholding-estimator/about-you</a> for more information.

## On the old form your dependents looked like this...

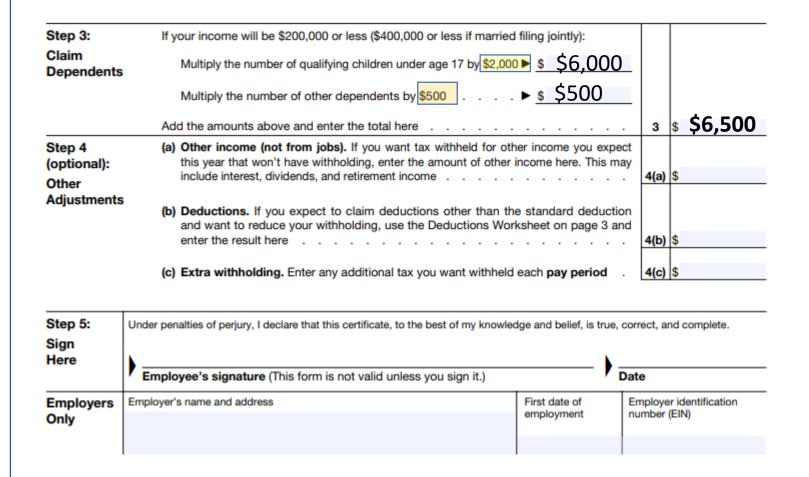


The **IRS** has cleaned this up a bit.

The allowance sheet is **different** and so is the worksheet for your spouse's job or your other job.

We're going to look at the **differences** and see how they impact you in the **real world**.

### Filling out the NEW form W-4 is easy!



There are **no more** allowances. When you want credit for your dependents you must do the highlighted math.

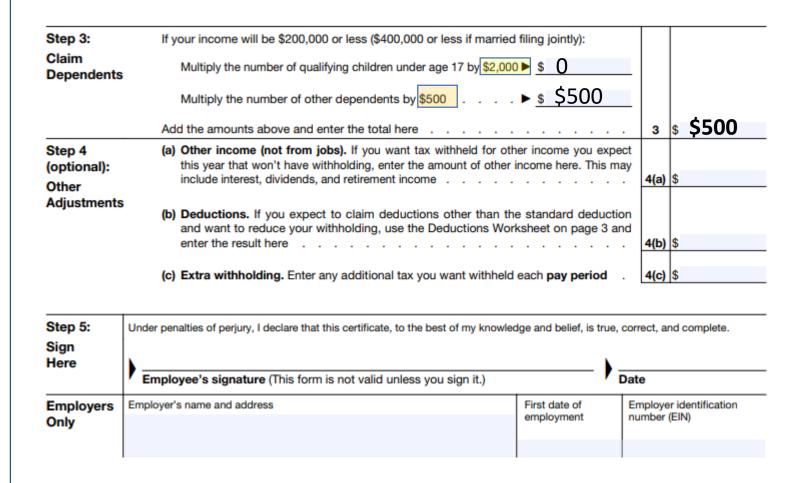
If you have **3 kids under 17** you need to multiple the number of kids by **\$2,000.** The total of \$6,000

If you have other dependents, multiple the number of dependents by \$500. Pretend you have 1. The answer would be \$500.

Then add \$6,000 + \$500 for \$6,500 and put on line 3.



### Filling out the NEW form W-4 is easy!



What if you have **no** children? Place a zero on that line and move to the next line.

If you have other dependents, multiple the number of dependents by \$500. Lets pretend you have 1. The answer would be \$500.

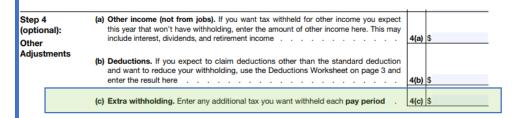
Put \$500 and on line 3.



### Married and you both work?

This step is optional but it's a step you should complete it, if you want to avoid owing money to the government at the end of the year.

			Marri	ed Filing	Jointly	or Qualit	ying Wic	low(er)				
Higher Paying Job				Lowe	r Paying .	Job Annua	al Taxable	Wage & S	Salary			
Annual Taxable Wage & Salary	\$0 - 9,999	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 39,999	\$40,000 - 49,999	\$50,000 - 59,999	\$60,000 - 69,999	\$70,000 - 79,999	\$80,000 - 89,999	\$90,000 - 99,999	\$100,000 - 109,999	\$110,000 120,000
\$0 - 9,999	\$0	\$220	\$850	\$900	\$1,020	\$1,020	\$1,020	\$1,020	\$1,020	\$1,210	\$1,870	\$1,870
\$10,000 - 19,999	220	1,220	1,900	2,100	2,220	2,220	2,220	2,220	2,410	3,410	4,070	4,070
\$20,000 - 29,999	850	1,900	2,730	2,930	3,050	3,050	3,050	3,240	4,240	5,240	5,900	5,900
\$30,000 - 39,999	900	2,100	2,930	3,130	3,250	3,250	3,440	4,440	5,440	6,440	7,100	7,100
\$40,000 - 49,999	1,020	2,220	3,050	3,250	3,370	3,570	4,570	5,570	6,570	7,570	8,220	8,220
\$50,000 - 59,999	1,020	2,220	3,050	3,250	3,570	4,570	5,570	6,570	7,570	8,570	9,220	9,22
\$60,000 - 69,999	1,020	2,220	3,050	3,440	4,570	5,570	6,570	7,570	8,570	9,570	10,220	10,22
\$70,000 - 79,999	1,020	2,220	3,240	4,440	5,570	6,570	7,570	8,570	9,570	10,570	11,220	11,24
\$80,000 - 99,999	1,060	3,260	5,090	6,290	7,420	8,420	9,420	10,420	11,420	12,420	13,260	13,46
\$100,000 - 149,999	1,870	4,070	5,900	7,100	8,220	9,320	10,520	11,720	12,920	14,120	14,980	15,18
\$150,000 - 239,999	2,040	4,440	6,470	7,870	9,190	10,390	11,590	12,790	13,990	15,190	16,050	16,25
\$240,000 - 259,999	2,040	4,440	6,470	7,870	9,190	10,390	11,590	12,790	13,990	15,520	17,170	18,17
\$260,000 - 279,999	2,040	4,440	6,470	7,870	9,190	10,390	11,590	13,120	15,120	17,120	18,770	19,77
\$280,000 - 299,999	2,040	4,440	6,470	7,870	9,190	10,720	12,720	14,720	16,720	18,720	20,370	21,37
\$300,000 - 319,999	2,040	4,440	6,470	8,200	10,320	12,320	14,320	16,320	18,320	20,320	21,970	22,97
\$320,000 - 364,999	2,720	5,920	8,750	10,950	13,070	15,070	17,070	19,070	21,290	23,590	25,540	26,84
\$365,000 - 524,999	2,970	6,470	9,600	12,100	14,530	16,830	19,130	21,430	23,730	26,030	27,980	29,28
\$525,000 and over	3,140	6,840	10,170	12,870	15,500	18,000	20,500	23,000	25,500	28,000	30,150	31,65



**Row (**highest salary) then **column** (lower salary)...

Example: You earn \$28,900/year Your spouse earns \$22,000/year

They intersect at \$2,730



### Married and you both work?

This step is optional but it's a step you should complete it, if you want to avoid owing money to the government at the end of the year.

#### Step 2(b) - Multiple Jobs Worksheet (Keep for your records.)



If you choose the option in Step 2(b) on Form W-4, complete this worksheet (which calculates the total extra tax for all jobs) on **only ONE** Form W-4. Withholding will be most accurate if you complete the worksheet and enter the result on the Form W-4 for the highest paying job.

**Note:** If more than one job has annual wages of more than \$120,000 or there are more than three jobs, see Pub. 505 for additional tables; or, you can use the online withholding estimator at www.irs.gov/W4App.

- \$\$2730
- 2 Three jobs. If you and/or your spouse have three jobs at the same time, complete lines 2a, 2b, and 2c below. Otherwise, skip to line 3.

  - b Add the annual wages of the two highest paying jobs from line 2a together and use the total as the wages in the "Higher Paying Job" row and use the annual wages for your third job in the "Lower Paying Job" column to find the amount from the appropriate table on page 4 and enter this amount on line 2b
  - c Add the amounts from lines 2a and 2b and enter the result on line 2c

- 26
- 4 \$ \$105

Remember the two jobs intersect at \$2,730.

\$2,730 goes on line 1.

Skip to number 3 (complete #2 if you have 3 jobs between you and your spouse).

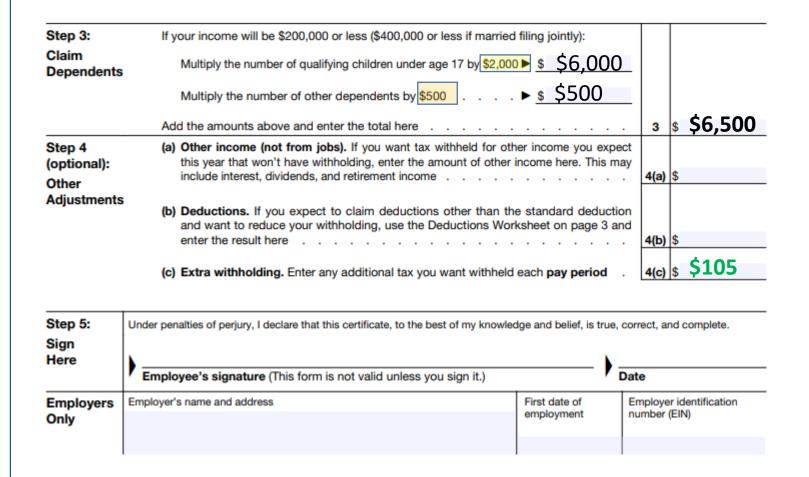
Do the following math for the highest paying job. For most people it will be 26 pay periods.

Divide \$2,730/26 = **\$105**Place the answer, \$105 on line 4.

Turn to next page to for updated worksheet.



### Filling out the NEW form W-4 is easy!



We're back on the first page with the person who had three children and one additional dependent.

You can see on line 4c that \$105 has been entered.

This is the additional amount that will be deducted from each paycheck this will help you to avoid owing taxes.



You're married with 3 kids under 17 and 1 additional dependent.

We've already calculated that you would have a credit for \$6,500 accounted for when it comes to Federal taxes and an additional withholding of \$105 for your spouse.

You work at **A Pizza Place in Florida** making \$28,900/year.

Your spouse makes \$22,000.

OLD FORM 16
Allowances

You turn your form W-4 into us. Here's what happens next...

We already know your salary of \$28,900.

We now know:

to account for the money you spouse makes and to account for your children and dependents.

Gross Pay	\$1,111.54
Federal Withholding	\$105
Social Security	\$68.92
Medicare	\$16.12
FL State	\$0.00
Net Pay per Paycheck	\$921.50



You're single with 3 kids under 17 and 3 additional dependents.

The dependent calculation would now be \$7,500 accounted for when it comes to Federal taxes.

You work at **A Landscaper Place in Florida** making \$17,596.80/year.

18 OLD FORM Allowances

**Atlantic** 

You turn your form W-4 into us. Here's what happens next...

We already know your salary of \$17,596.80.

We now know:

to account for your children and dependents.

Gross Pay	\$676.80
Federal Withholding	\$0
Social Security	\$41.96
Medicare	\$9.81
FL State	\$0.00
Net Pay per Paycheck	\$625.03

You're single with 3 kids under 17 and 3 additional dependents.

The dependent calculation would now be \$7,500 accounted for when it comes to Federal taxes.

You worked at A Landscaper Place in West Virginia making \$18,200/year.

18 OLD FORM Allowances

You turn your form W-4 into us. Here's what happens next...

We already know your salary of \$18,200.

We now know:

to account for your children and dependents.

Gross Pay	\$700
Federal Withholding	\$0
Social Security	\$43.40
Medicare	\$10.15
WV State	\$24.00
Net Pay per Paycheck	\$622.45



You're single with no kids and no dependents.

You worked at **A Thrift Shop** in Florida making \$17,596/year.

OLD FORM 1-2
Allowances

You turn your form W-4 into us. Here's what happens next...

We already know your salary of \$17,596.00

Gross Pay	\$676.80
Federal Withholding	\$48.80
Social Security	\$41.96
Medicare	\$9.81
FL State	\$0.00
Net Pay per Paycheck	\$622.45

