Do a Paycheck Checkup



Vivienne Antal

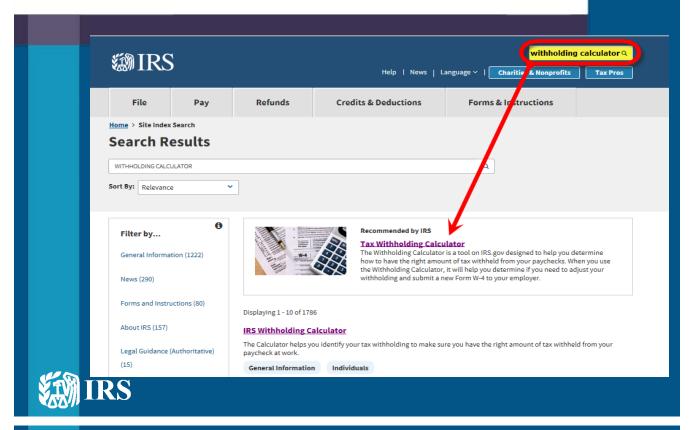
May 23, 2018

Why a Paycheck Checkup?

- Some law changes in the Tax Cuts and Jobs Act may affect your withholding.
- Protect against having too little tax withheld and facing an unexpected tax bill or penalty at tax time next year.
- Avoid too much withholding; you can receive more in your paychecks.



IRS.gov/withholding



What Do I Need?

- Most recent pay stubs.
- Most recent income tax return.



General Information



•	General Information
\	What filing status will you use on your 2018 Income Tax Return?
	O Single
	Married filing joint return
	Married filing separate return
	O <u>Head of Household</u>
	O Qualifying widow(er)
(Can someone else claim you as a <u>dependent</u> on his or her tax return? O Yes O No
	Continue Reset

General Information (cont.)

General Information (continued)

Select the total number of jobs in which you are currently or will be employed. (Enter military retirement pay or taxable pensions as additional separate jobs.):
Check box if you held a job this year but are no longer employed in that job. \Box
Check box if you contributed to a <u>tax-deferred retirement plan</u> such as a 401(k), this year.
Check box if you contributed to a cafeteria or other pre-tax plan such as for health insurance, this year.
Check box if you received a scholarship or fellowship grant this year that must be included in gross income. \Box
Select the number of dependents you will claim on your tax return: 0 🔻
Check if:
☐ You will be 65 or older on January 1, 2019 ☐ You are blind



Credits

Child and Dependent Care Credit
Select the number of qualifying persons for this credit: 0 If you plan to claim this credit, enter an estimate of work-related child and dependent care expenses: \$.00
Child Tax Credit
Select the number of qualifying children: 0
Note: the calculator will also determine the non-child dependent credit for you, based on your total number of dependents and this number of qualifying children.
Earned Income Tax Credit
Select the number of qualifying children: 0
Other Credits
Enter the total value of other <u>tax credits</u> for which you expect to be eligible: \$00
Tip: If you claim any of these credits and follow the recommendations at the end of this calculator, the amount of tax withheld from your paychecks will be reduced. This means that you will receive bigger paychecks throughout the year, and a smaller refund when you file your tax return. The summary page at the end of this calculator will show you your expected refund if you have had too much withheld, but it will not reflect any refundable portions of these credits.

Income and Withholding

Income and Withholding

Wage Income and Withholding

* Enter zero for any amount that does not apply to you.

Enter the gross wages, salary, and tips you expect to receive in 2018. Use the amount of wages, salaries and tips before any taxes, benefits or other items are subtracted. Do not include bonuses. (Enter <u>military retirement</u> or taxable pensions as separate jobs.):

Enter any bonuses you expect to receive in 2018:

Enter the total Federal income tax withheld to date in 2018 (including amounts withheld from bonuses or which you expect to have withheld for bonuses):

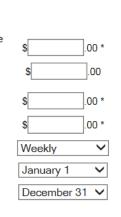
Enter the Federal income tax withheld from your last salary payment:

Select how frequently you are paid:

Select the date closest to when you first held this job in 2018:

Select the date closest to when this job will end in 2018:

* = required field





Other Income and Adjustments

Nonwage Income

Enter the total of any other taxable earned income you received or expect to receive in 2018:			
Enter any unemployment compensation you received or expect to receive in 2018:			
Enter an estimate of any other nonwage income (such as dividends or interest received) you expect to receive in 2018. Do not include amounts you included in earned income above:			
Adjustments			
Enter an estimate of your 2018 adjustments to income including deductible IRA contributions and education loan interest:			

Start Over



Itemized Deductions

Deductions

If your standard deduction, \$12000, is more than your total itemized deductions, your standard deduction will be used to calculate your withholding. Otherwise, your total itemized deduction amount will be used.

If you want to use your itemized deductions to calculate your withholding, even if they amount to less than your standard deduction, check

Enter an estimate of your 2018 itemized deductions:

Medical and Dental Expenses:	\$.00
Taxes You Paid:	\$.00
Interest You Paid:	\$.00
Gifts to Charity:	\$.00
Casualty Losses:	\$.00
Other Itemized Deductions:	\$ 7.00





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Results

Your Results

Based on the information you previously entered, your anticipated income tax for 2018 is \$3,873. If you do not change your current withholding arrangement, you will have \$9,000 withheld for 2018 resulting in an overpayment of \$5,127 when you file your return. If you want your withholding to more closely match your anticipated tax, adjust your withholding on a new Form W-4 as follows:

- For the only job you entered (which has a projected salary of \$50,000): 12 allowances.
- Check the "Single" box on your Form W-4

Based on the information you entered, if you file a new Form W-4 for the rest of 2018 the expected refund to which you may be entitled, should be about \$1,125. Following this recommendation to file a new W-4 will ensure that the amount withheld from your wages will cover all of your projected tax liability while minimizing your refund, as long as the information you entered in the calculator remains correct.

Caution! The recommended number of allowances will result in no income tax being withheld from your pay (because your year-to-date withholding is already sufficient to meet your anticipated tax). Therefore, you should analyze your withholding again at the beginning of 2019 (or any time there is a change to your tax situation). If you do not check your withholding at the beginning of next year, you will likely be underwithheld for 2019.



Your Recap

Following is a recap of information entered on the preceding pages on which the above advice is based. Prepared: March 15, 2018				
Filing Status: single	Someone else can claim you as a dependent: no			
Number of jobs: 1	Number of dependents: 1			
Will you be 65 or older 1/1/2019: no	Are you blind: no			
Child & dependent care credit qualifying persons: 0	Child & dependent care credit expenses: \$0			
Child credit qualifying children: 0	EITC qualifying children: 0			
Other credits: \$0				
Total salary: \$50,000	Total plans and cafeteria: \$0			
Total tax withheld to date: \$5,000	Total tax withheld from last check: \$100			
Total earned income other than salary: \$0	Nonwage income: \$0			
Adjustments to income: \$0	Total itemized deductions: \$0			
Projected additional withholding if you do nothing: \$4,000				
	Start Over			



What if I Don't Have Enough Withheld?

Submit a new Form W-4 to your employer

	W-4 nent of the Treasury Revenue Service	► Whether you're entit	e's Withholding led to claim a certain numbe ne IRS. Your employer may b	r of allowances or exem	ption from with	holding is	OMB No. 1545-0074 20 18
1	Your first name	and middle initial	Last name			2 Your social	security number
	Home address (number and street or rural route)			3 Single Mar	ried Mar	ried, but withhold	at higher Single rate.
			Note: If married filing separately, check "Married, but withhold at higher Single rate."				
	City or town, state, and ZIP code 4 If your last name differs from that			fers from that s	shown on your so	cial security card,	
check here. You must call 800-772-1213 for a replacement card				cement card.			
5	Total number	r of allowances you're clain	ning (from the applicable	worksheet on the foll	owing pages		5
6	Additional amount, if any, you want withheld from each paycheck					6 \$	
7	I claim exemp	ption from withholding for 2	2018, and I certify that I n	neet both of the follow	wing condition	ns for exemptio	n.
	 Last year I I 	had a right to a refund of a	II federal income tax with	held because I had n	o tax liability,	and	
	This year I expect a refund of all federal income tax withheld because I expect to have no tax liability.						
If you meet both conditions, write "Exempt" here							
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.							
	oyee's signatur orm is not valid	e unless you sign it.) ▶				Date ▶	·

What If I Have Too Much Withheld?

- File a new Form W-4 to:
 - -Avoid having too much withheld.
 - —Put more in your regular paycheck.



Will I Need to Do Another Checkup?

- Recheck your withholding:
 - -If your circumstances change.
 - -In early 2019.



Resources:

- -www.irs.gov/withholding
- Publication 505, Tax Withholding and Estimated Tax.
- —<u>Form W-4</u>, Employee's Withholding Allowance Certificate.
- —<u>Form 1040-ES</u>, Estimated Tax for Individuals.



Contact Information

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