

# Do a Paycheck Checkup



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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

The screenshot shows the IRS.gov website interface. At the top, the IRS logo is on the left, and navigation links for 'Help', 'News', 'Language', 'Charities & Nonprofits', and 'Tax Pros' are on the right. Below this is a horizontal menu with 'File', 'Pay', 'Refunds', 'Credits & Deductions', and 'Forms & Instructions'. A search bar at the top right contains the text 'withholding calculator' and is highlighted with a red circle. A red arrow points from this search bar down to a search result card. The search results section is titled 'Search Results' and shows a search box with 'WITHHOLDING CALCULATOR' entered. Below the search box is a 'Sort By' dropdown menu set to 'Relevance'. On the left side of the search results, there is a 'Filter by...' section with categories: 'General Information (1222)', 'News (290)', 'Forms and Instructions (80)', 'About IRS (157)', and 'Legal Guidance (Authoritative) (15)'. The main search results area displays a 'Recommended by IRS' section with a thumbnail image of a calculator and a document. The title is 'Tax Withholding Calculator' and the text describes the tool's purpose. Below this, it says 'Displaying 1 - 10 of 1786' and provides a link to 'IRS Withholding Calculator'. At the bottom of the result card, there are two tabs: 'General Information' and 'Individuals'.



## 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?

- Single
- Married filing joint return
- Married filing separate return
- [Head of Household](#)
- [Qualifying widow\(er\)](#)

Can someone else claim you as a [dependent](#) on his or her tax return?

- Yes  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.

Check box if you contributed to a [tax-deferred retirement plan](#) 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.

Select the number of dependents you will claim on your tax return:

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:

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](#):

**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](#):

## Other Credits

Enter the total value of other [tax credits](#) 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 [military retirement](#) or taxable pensions as separate jobs.):

\$ .00 \*

Enter any bonuses you expect to receive in 2018:

\$ .00

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):

\$ .00 \*

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

\$ .00 \*

Select how frequently you are paid:

Weekly

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

January 1

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

December 31

\* = 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: \$ .00

Enter any unemployment compensation you received or expect to receive in 2018: \$ .00

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: \$ .00

## Adjustments

Enter an estimate of your 2018 adjustments to income including deductible IRA contributions and education loan interest: \$ .00

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# Itemized Deductions

## Deductions

If your standard deduction, \$12,000, 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 this box:

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](#): \$ .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

Separate here and give Form W-4 to your employer. Keep the worksheet(s) for your records.

<b>Form W-4</b> Department of the Treasury Internal Revenue Service		<b>Employee's Withholding Allowance Certificate</b> ▶ Whether you're entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.		OMB No. 1545-0074 <b>2018</b>
<b>1</b> Your first name and middle initial _____		Last name _____		<b>2</b> Your social security number _____
Home address (number and street or rural route) _____		<b>3</b> <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, 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 _____		<b>4</b> If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card. <input type="checkbox"/>		
<b>5</b> Total number of allowances you're claiming (from the applicable worksheet on the following pages) . . . . .		<b>5</b> _____		<b>6</b> \$ _____
<b>6</b> Additional amount, if any, you want withheld from each paycheck . . . . .		<b>6</b> _____		<b>7</b> _____
<b>7</b> I claim exemption from withholding for 2018, and I certify that I meet <b>both</b> of the following conditions for exemption.		• Last year I had a right to a refund of <b>all</b> federal income tax withheld because I had <b>no</b> tax liability, <b>and</b> • This year I expect a refund of <b>all</b> federal income tax withheld because I expect to have <b>no</b> tax liability. If you meet both conditions, write "Exempt" here . . . . . ▶		
<b>7</b> _____		<b>7</b> _____		

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.

Employee's signature (This form is not valid 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](http://www.irs.gov/withholding)
- Publication 505, Tax Withholding and Estimated Tax.
- Form W-4, Employee's Withholding Allowance Certificate.
- Form 1040-ES, Estimated Tax for Individuals.





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