

PAYING YOUR FAIR SHARE, PART 1: FORM W-4, EMPLOYEE'S WITHHOLDING ALLOWANCE CERTIFICATE

Form W-4, *Employee's Withholding Allowance Certificate*, must be submitted either on or before the first day of work. The information on the W-4 will be used to calculate how much money will be withheld in federal income tax from your paycheck. Submit this form to your employer right away. If you put it off, your employer will withhold the *maximum* amount of tax from your paycheck! In addition, if your living situation changes, you may need to file a new W-4.

WHAT'S THE PURPOSE OF THIS FORM?

Form W-4 tells your employer how much federal income tax to deduct from each paycheck. The amount withheld is based on your marital status (married or single), and on the number of withholding allowances you claim (see next section). If you want an extra, specific dollar amount taken

out of your paycheck, you can write that in on this form. Form W-4 is also used to claim a total exemption from federal income tax withholding. More on that later.

WHAT ARE WITHHOLDING ALLOWANCES?

The more withholding allowances you can claim, the less withheld in federal income tax each pay period. This is why submitting your W-4 is so important! Until you turn this form in, your employer has to assume that you are single and claiming zero withholding allowances. With zero allowances, you're likely to pay more tax than is necessary. Although you will receive a tax refund for the extra tax when you file your personal income tax return, there is no good reason to give the federal government an interest-free loan of your hard-earned money. The conditions for claiming withholding allowances are listed here and on the next page.

DID YOU KNOW? **CONDITIONS *for* CLAIMING WITHHOLDING ALLOWANCES**

You can claim an allowance for:

- YOURSELF**
- YOUR SPOUSE**
- EACH CHILD YOU LIST AS A DEPENDENT ON YOUR TAX RETURN**

Unless...

- Someone else (a spouse or parent) will list you as a dependent on their income tax return.
- Your spouse is working and has already claimed an allowance on their W-4.
- Your spouse has already claimed each child on their W-4.

OTHER ALLOWANCES *You Might* CLAIM

Each individual in the family can be claimed only *one time* by *one person* to gain a withholding allowance.

	ALLOWANCES
1. If you are single, and 2. You have only one job	1
1. If you are married, and 2. You have only one job, and 3. Your spouse doesn't work	1
1. If you are married, and 2. You have only one job, and 3. Your spouse has a job making \$1,500 or less	1
1. If you are married, and 2. You have a second job making \$1,500 or less, and 3. Your spouse doesn't work	1
1. If you are married, and 2. You have a second job making \$1,500 or less, and 3. Your spouse has a job making \$1,500 or less	1
1. If you are single, and 2. You are filing as head of household (i.e., paying more than half the cost of maintaining a home for yourself and your dependent[s])	1
1. If you spend at least \$2,000 per year in out-of-pocket childcare expenses (not child support payments), and 2. You intend to claim a credit for this on your income tax return	1

CHILD TAX CREDITS AS OF 2015	ALLOWANCES
1. If you have 1 eligible child, and 2. You are single, and 3. Your total income is less than \$65,000	2 x number of eligible children
1. If you have 1 eligible child, and 2. You are married, and 3. Your total income is less than \$100,000	2 x number of eligible children
1. If you have 2 – 4 eligible children, and 2. You are single, and 3. Your total income is less than \$65,000	2 x number of eligible children - 1
1. If you have 2 – 4 eligible children, and 2. You are married, and 3. Your total income is less than \$100,000	2 x number of eligible children - 1
1. If you are single, and 2. Your total income is between \$65,000 and \$84,000	1 x number of eligible children
1. If you are married, and 2. Your total income is between \$100,000 and \$119,000	1 x number of eligible children
1. If you have 5 or more eligible children, and 2. You are single, and 3. Your total income is less than \$65,000	2 x number of eligible children - 2
1. If you have 5 or more eligible children, and 2. You are married, and 3. Your total income is less than \$100,000	2 x number of eligible children - 2