

### **Form W-4 (Employee's Withholding Allowance Certificate)**

Please use **Form W-4** (for the current year) for new hires and/or changes to employee's current withholding amounts. *Employees with access to Employee Self Service may update their W-4 information online in the ESS portal.*

The Form W-4 includes four types of information that are used to figure withholding amounts:

- Whether to withhold at the higher Single rate, or at the lower Married rate.
- How many withholding allowances the employee will claim (each allowance reduces the amount withheld).
- Whether the employee wants an additional amount withheld (this applies to the Federal income tax only).
- Whether the employee is claiming an exemption from withholding (for the current year).

### **No Form W-4**

If a completed Form W-4 (Employee's Withholding Allowance Certification) is not received, employee's taxes will be withheld at the highest rate, as if they are Single and claiming no withholding allowances (Single and 0 allowances). *Employees with access to Employee Self Service may update their W-4 information online in the ESS portal.*

### **Notice for employees claiming "Exempt" on Form W-4**

The "Exempt" status on the W-4 Form expires each year in February. The expiration date is listed on the W-4 under **Exemption from withholding**. Employees may continue claiming "Exempt" by submitting a new W-4 Form (for the current year) by the expiration date. *Employees with access to Employee Self Service may update their existing withholding amounts online in the ESS portal.* If a new W-4 Form (for the current year) is not received in State Payroll by the expiration date (listed on the W-4 for the previous year), the employee's withholding will revert back to the withholding amounts that were being withheld prior to the "Exempt" status change, beginning the very next payday after the expiration date. If no Form W-4 is on file, the IRS requires taxes to be withheld at the highest rate, as if the employee is Single and claimed no withholding allowances (Single and 0 Allowances).

**Publication 505, Tax Withholding and Estimated Tax** is available on the IRS web site:

<https://www.irs.gov/>. This publication is typically updated in March (for the current year) and provides information which may be useful to employees regarding *Tax Withholding, Estimated Tax, Credit for Withholding and Estimated Tax, Underpayment Penalty and How To Get Tax Help.*

## Valid Form W-4 Examples

Please review the attached 'Valid Form W-4 Examples.pdf'. When completing Form W-4, the employee must specify a filing status (Single, Married or Married, but withhold at the higher Single rate) and a number of withholding allowances. They cannot specify only a dollar amount of withholding. Employee's claiming exemption from withholding must **only** complete lines 1, 2, 3, 4, write "Exempt" on line 7, and sign and date the form to validate it. **(Lines 5 and 6 must be left blank -- do not write anything on lines 5 and 6, including 0.)**

**Forms that are not completed correctly cannot be processed and will be returned to the employee, which may affect the amount of taxes being withheld from the employee's paycheck.**

The most common reasons for returning an invalid W-4 are:

- The name on the W-4 does not match the Social Security card. If the last name differs from that shown on the social security card: Check the box (on line 4) and follow the instructions for a replacement card.
- The Social Security Number (line 2), Marital Status box (line 3), Total number of allowances (line 5) or Employee's signature is missing.
- The Additional amount (on line 6) is for federal taxes only. Use Finance form FI-41 for additional State taxes OR; *employees with Employee Self Service access may update their additional Federal and/or State withholding amounts online in the ESS portal.*
- Entering the total number of allowances (on line 5) and writing "Exempt" (on line 7).
- **If claiming "Exempt" from withholding (on line 7) -- lines 5 and 6 must be left blank. Do not write anything on lines 5 and 6, including 0.**

Claiming "Exempt" from withholding means there will not be **ANY** state or federal income tax withheld. The "Exempt" status expires each year in February. The date is listed on the W-4 under **Exemption from withholding**. Employees that claim exemption from withholding must complete and submit a new, current Form W-4 each year in February to continue their exemption from withholding; *OR employees with Employee Self Service access may update their existing withholding amounts online in the ESS portal.*

### **Notice 1036, Early Release Copies of the Percentage Method Tables for Income Tax**

**Withholding** is available on the IRS web site: <https://www.irs.gov/>. This publication is typically updated in December/January (for the new tax year) and provides information which may be useful to employees regarding *Withholding Tables, Percentage Method Tables for Income Tax Withholding that will appear in Pub. 15, Employer's Tax Guide*, *Withholding Adjustment for Nonresident Aliens*, **Social Security and Medicare Tax**, *Additional Medicare Tax Withholding*, *Withholding on Supplemental Wages and Backup Withholding Rate*.

### **Social Security and Medicare Tax**

The Social Security tax rate is 6.20% each for the employee and employer up to the social security wage base limit (this amount changes annually). The Medicare tax rate is 1.45% each for the employee and employer. There is no wage base limit for Medicare tax.

### **Additional Medicare Tax Withholding**

In addition to withholding Medicare tax at 1.45%, 0.09% Additional Medicare Tax must be withheld from wages paid to an employee in excess of \$200,000 in a calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax.

### **Questions**

Please direct questions to the State Payroll Help Desk at [801-538-3056](tel:801-538-3056) between 8:00 a.m. and 5:00 p.m. (Monday through Friday), or send an email to: [payroll@utah.gov](mailto:payroll@utah.gov).