Do a Paycheck Checkup

Presenter’s name

Date
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

Recommended by IRS

Tax Withholding Calculator

The Withholding Calculator is a tool on IRS.gov designed to help you determine how to have the right amount of tax withheld from your paychecks. When you use the Withholding Calculator, it will help you determine if you need to adjust your withholding and submit a new Form W-4 to your employer.

IRS Withholding Calculator

The Calculator helps you identify your tax withholding to make sure you have the right amount of tax withheld from your paycheck at work.
What Do I Need?

- Most recent pay stubs.
- Most recent income tax return.
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.
Following is a recap of information entered on the preceding pages on which the above advice is based. Prepared: March 15, 2018

<table>
<thead>
<tr>
<th>Filing Status: single</th>
<th>Someone else can claim you as a dependent: no</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of jobs: 1</td>
<td>Number of dependents: 1</td>
</tr>
<tr>
<td>Will you be 65 or older 1/1/2019: no</td>
<td>Are you blind: no</td>
</tr>
<tr>
<td>Child &amp; dependent care credit qualifying persons: 0</td>
<td>Child &amp; dependent care credit expenses: $0</td>
</tr>
<tr>
<td>Child credit qualifying children: 0</td>
<td>EITC qualifying children: 0</td>
</tr>
<tr>
<td>Other credits: $0</td>
<td></td>
</tr>
<tr>
<td>Total salary: $50,000</td>
<td>Total plans and cafeteria: $0</td>
</tr>
<tr>
<td>Total tax withheld to date: $5,000</td>
<td>Total tax withheld from last check: $100</td>
</tr>
<tr>
<td>Total earned income other than salary: $0</td>
<td>Nonwage income: $0</td>
</tr>
<tr>
<td>Adjustments to income: $0</td>
<td>Total itemized deductions: $0</td>
</tr>
<tr>
<td>Projected additional withholding if you do nothing: $4,000</td>
<td></td>
</tr>
</tbody>
</table>

Start Over
What if I Don’t Have Enough Withheld?

• Submit a new Form W-4 to your employer
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.
- Form W-4, Employee’s Withholding Allowance Certificate.
- Form 1040-ES, Estimated Tax for Individuals.