

## **What is a W-4 Form?**

Internal Revenue Service (IRS) Form W-4, Employee's Withholding Certificate, is generally completed at the start of any new job.

The W-4 Form is the IRS document you complete for your employer to determine how much should be withheld from your paycheck for federal income taxes and sent to the IRS.

It doesn't change the amount of your pay that will go toward Social Security and Medicare. Those are defined amounts.

### **Form W-4: How to fill out a W-4**

As mentioned, filling out a W-4 directly affects the amount withheld on your paycheck and your potential tax refund. Filling out a W-4 form is a big decision-making moment. It's a lot more than adding your name and checking a few boxes.

You'll need to account for all jobs you have and for your spouse if applicable and desired.

#### **Step 1: Enter your personal information**

First, you'll fill out your personal information including your name, address, social security number, and tax filing status.

#### **Step 2: Account for all jobs you and your spouse have**

Unlike when you filled out W-4 forms in the past, you'll have to fill out your W-4 with your combined income in mind, including self-employment.

To fill out this part correctly, you have three choices. You can:

1. Use an online estimator to determine a specific amount to have your employer withhold each pay period. This method works the best if you have income from self-employment, because it helps allow for self-employment taxes in addition to income taxes.
  2. Use a worksheet attached to the W-4 form if there are multiple jobs in your household (either you have multiple jobs or you and your spouse each work).
- Or,
3. Check a box and have your employer withhold at a default rate. Checking the box works best if all the jobs have a similar amount of pay.

Checking the box for the default method may seem like the easiest choice. But this will sometimes result in a refund check and much smaller paychecks throughout the year.

#### **Step 3: Claim your children and other dependents**

You want to make sure only one of you allows for child-related tax credits through withholding. Generally, it's best to allow for child-related tax credits on the Form W-4 of the highest paying job.

#### **Step 4: Make other adjustments**

Here you can account for other income you receive, deductions you might qualify for and any extra withholding amounts you'd like your employer to take.

- Other income – Amounts added here will increase your withholding
- Deductions – Amounts added here will decrease your withholding
- Extra withholding – Amounts added here will increase your withholding

#### **Step 5: Sign and date your form**

The hard part is now done. All that's left to do is sign and date your form and provide to your employer.