

# FORM W-4

Use this form so that your employer can withhold the correct amount of tax from your pay.

Employers must provide Form W-4 to all new employees, and it can be updated anytime.

Reasons to update Form W-4 include getting married, having a child, starting an additional job, having a balance due on a return, had tax withheld last year and got a refund.

## WHY?

Employees are required to complete Form W-4 to determine Federal Tax withholding.

The amount of Federal Income Tax withheld from employee earnings is based on the taxpayer's filing status, income, credits, deductions and extra withholding.

Federal Tax withheld from employee earnings are submitted to the IRS by the employer.

When your return is prepared, taxable income and total tax are calculated.

- If Federal Income Tax withheld plus refundable credits is greater than total tax a **REFUND** is indicated.
- If the Federal Income Tax withheld plus refundable credits is less than total tax a balance due is indicated.

# LITC

Alaska Business Development Center's Low Income Taxpayer Clinic provides assistance year round to low income and English-as-a-Second Language taxpayers. Assistance includes education on taxpayer rights and responsibilities, consultation on IRS issues and representation on IRS disputes. Tax preparation is not conducted under the Low Income Taxpayer Clinic.



**VTLP** Proudly Serving Rural Taxpayers Since 1995

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## Understanding...

# WITHHOLDING

Employers are required to withhold federal taxes from an employee's paycheck:

- Social Security (FICA)
- Medicare (FICA)
- Federal Income Tax

Taxpayers have no control over the first two but can control the amount of Federal Income Tax withheld.



Brought to you by:

Alaska Business Development Center  
Low Income Taxpayer Clinic

## Filling Out the Form:

**Step 1. Required:** personal info and filing status.

**Step 2. Optional:** complete this step if you have more than one job at the same time or file a joint return and your spouse works. Use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App), the Multiple Jobs Worksheet on Form W-4 page 3 or check the box for only two jobs. Only check the box if the two jobs earn similar amounts.

**Step 3. Optional:** complete this step to reduce your withholding by claiming dependent credits. If there are multiple jobs reported on the return only complete steps 3 and 4 on one W-4, usually the one with the highest income.

**Step 4. Optional:** complete this step to compensate for a) additional income e.g. the PFD, self-employment..., b) deductions greater than the standard deduction and c) additional withholding to avoid a balance due.

**Step 5. Required:** signature and date.

For more information visit:

[www.irs.gov/FormW4](http://www.irs.gov/FormW4)

<b>Form W-4</b> Department of the Treasury Internal Revenue Service		<b>Employee's Withholding Certificate</b> ▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. ▶ Give Form W-4 to your employer. ▶ Your withholding is subject to review by the IRS.		OMB No. 1545-0074 <b>2022</b>
<b>Step 1: Enter Personal Information</b>	(a) First name and middle initial Last name	(b) Social security number		
	Address City or town, state, and ZIP code	▶ Does your name match the name on your social security card? If not, to ensure you get correct withholding contact SSA at 800-772-1278 or go to <a href="http://www.irs.gov">www.irs.gov</a> .		
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying widow(er) <input type="checkbox"/> Head of household (Check only if you are married and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)			

**Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5.** See page 2 for more information on each step, who can claim exemption from withholding, when to use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App), and privacy.

**Step 2:** Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

- (a) Use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) for most accurate withholding for this step (and Steps 3-4); or  
(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; **or**

- (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld. . . .   
**TIP:** To be accurate, submit a 2022 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

**Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs.** Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)

**Step 3:** If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):

**Claim Dependents** Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$

Multiply the number of other dependents by \$500 ▶ \$

Add the amounts above and enter the total here . . . . . **3** \$

**Step 4 (optional): Other Adjustments** (a) **Other income (not from jobs).** If you want tax withheld for other income, you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income . . . . . **4(a)** \$

(b) **Deductions.** If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . . . . **4(b)** \$

(c) **Extra withholding.** Enter any additional tax you want withheld each pay period . . . . . **4(c)** \$

**Step 5: Sign Here** Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct and complete.

▶ **Employee's signature** (This form is not valid unless you sign it.) ▶ **Date**

<b>Employers Only</b>	Employer's name and address	Employer identification number (EIN)
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For Privacy Act and Paperwork Reduction Act Notice, see page 3.

Cat. No. 10220Q

Form **W-4** (2022)



# FAQ

## Which Steps?

- You don't have to complete steps 2 through 4 of your Form W-4, but filling them out will provide your employer with information to withhold a more accurate amount for your tax situation.
- If you only complete steps 1 and 5, your employer will withhold the tax based on the standard deduction alone.

## Extra Withholding:

- You can elect for extra withholding per pay period by inputting an amount in Step 4(c). This will reduce balance due or increase refund. Use this step to compensate for self-employment tax.

## No Withholding:

- You can decrease your withholding to zero if both of the following are true: you owed no federal tax in prior year and you expect to owe no federal tax in current year. This means more money per pay period and less refund.
- To claim exemption from withholding, certify that you meet both of the conditions above by writing "Exempt" on Form W-4 in the space below Step 4(c) and complete Steps 1(a), 1(b) and 5. Do not complete any other steps on the form.