

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

Filing Out the Form:

Step 1. Required: complete 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, 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

Form W-4 Department of the Treasury Internal Revenue Service		Employee's Withholding Certificate 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 2025
Step 1: Enter Personal Information	(a) First name and middle initial Last name	(b) Social security number	Does your name match the name on your social security card? If not, to ensure you get correct withholding, contact SSA at 800-772-1213 or go to www.ssa.gov .	
	Address City or town, state, and ZIP code			
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying surviving spouse <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)			

TIP: Consider using the estimator at www.irs.gov/W4App to determine the most accurate withholding for the rest of the year if: you are completing this form after the beginning of the year; expect to work only part of the year; or have changes during the year in your marital status, number of jobs for you (and/or your spouse if married filing jointly), dependents, other income (not from jobs), deductions, or credits. Have your most recent pay stub(s) from this year available when using the estimator. At the beginning of next year, use the estimator again to recheck your withholding.

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, and when to use the estimator at www.irs.gov/W4App.

Step 2: Multiple Jobs or Spouse Works
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 for the most accurate withholding for this step (and Steps 3-4). If you or your spouse have self-employment income, use this option; **or**
- (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below; **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 generally more accurate than (b) if pay at the lower paying job is more than half of the pay at the higher paying job. Otherwise, (b) is more accurate

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: Claim Dependent and Other Credits
If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):
Multiply the number of qualifying children under age 17 by \$2,000 \$ 3 \$
Multiply the number of other dependents by \$500 \$
Add the amounts above for qualifying children and other dependents. You may add to this the amount of any other credits. Enter the total here

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.	Date
Employers Only Employer's name and address Employer identification number (EIN)	Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 3. Cat. No. 10220Q Form **W-4** (2025)

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.

