

American Payroll Association 2018



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

The screenshot shows the IRS website's search results page. At the top, the IRS logo is on the left, and navigation links for 'Help', 'News', 'Language', 'Charities & Nonprofits', and 'Tax Pros' are on the right. A search bar at the top right contains the text 'withholding calculator' and is highlighted with a red circle. Below the search bar, a red arrow points from the search results to the 'withholding calculator' link in the search bar. The main content area features a 'Search Results' section with a search bar containing 'WITHHOLDING CALCULATOR' and a 'Sort By: Relevance' dropdown. On the left, a 'Filter by...' sidebar lists categories: General Information (1222), News (290), Forms and Instructions (80), About IRS (157), and Legal Guidance (Authoritative) (15). The main results area displays a 'Recommended by IRS' section with an image of a calculator and a Form W-4, followed by the title 'Tax Withholding Calculator' and a description. Below this, it says 'Displaying 1 - 10 of 1786' and 'IRS Withholding Calculator'. At the bottom, there are two buttons: 'General Information' and 'Individuals'.

IRS

Help | News | Language | Charities & Nonprofits | Tax Pros

File | Pay | Refunds | Credits & Deductions | Forms & Instructions

Home > Site Index Search

Search Results


WITHHOLDING CALCULATOR

Sort By: Relevance

Filter by...

- General Information (1222)
- News (290)
- Forms and Instructions (80)
- About IRS (157)
- Legal Guidance (Authoritative) (15)

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.

Displaying 1 - 10 of 1786

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.

General Information | Individuals



What Do I Need?

- Most recent pay stubs
- Most recent income tax return

Results

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.

Your Recap

Following is a recap of information entered on the preceding pages on which the above advice is based.
Prepared: March 15, 2018

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

Start Over

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

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

W-2 Scam

- Poses as company executive, asks payroll employee for list of all employees W-2s
- Targets: businesses, public schools, universities, tribes
- Employer/victims should email dataloss@irs.gov and provide POC
- Victims/non-victims should forward any suspicious W-2 emails (including full headers) to Phishing@irs.gov and use subject line: W2 Scam

W-2 Spoof

Don't fall for spoofing emails

Stay alert to cybercriminals trying to trick payroll and HR offices into giving them employees W-2 information.

From: J. Smith CEO [mailto:ceo@yourcompany.com]
To: Mary Jones <HR-payroll@yourcompany.com>
Subject: Manual Review

Mary,

Happy Friday! I need you to send me the list of W-2 copy of employees wage and tax statement for 2017, I need them for manual review, you can send it as an attachment in PDF file type.

Thanks,
J. Smith CEO

www.irs.gov/alerts



Payroll Industry Calls

Monthly payroll industry calls

- First Thursday of each month
- 1:00 p.m. Eastern

sbse.payroll@irs.gov



Emerging Employment Tax Issue

Wellness Benefits

- Many employers, health insurers and unions provide employees with wellness plans or programs that are designed to promote the health of the employees
- Employer wellness programs often provide employees with rewards for taking certain actions intended to promote health

Emerging Employment Tax Issue

- If the rewards are limited to section 213 medical expenses then usually they would not be wages subject to employment taxes
- An example is where the employer places a limitation on a gift card such that it may only be used for a section 213 medical expense, e.g., prescription medications

Emerging Employment Tax Issue

- Some employers offer a wellness arrangement where they require the employee to pay a pre-tax premium (similar to a health plan premium through a cafeteria plan) and then, within the same pay period, reimburse the employee for almost the entire pre-tax premium
- Under existing law in IRC § 105 and 106, the amount of the reimbursement in this arrangement is wages subject to employment taxes



Contact Information (36 pt.)

Name (32 pt.)

Phone Number (32 pt.)

E-Mail Address (32 pt.)