

Explaining 2024 Form W-4

Beginning with 2020, Form W-4 - Employee's Withholding Certificate, was revamped to help individuals withhold federal income tax more accurately from their paychecks. This is due to the federal tax law changes that took place in 2019. The Internal Revenue Service (IRS) is not requiring all employees to complete the revised form and has designed the withholding tables so that they will work with both the new and prior year forms. However, certain employees will be required to use the new form: those hired in 2020 and anyone who makes withholding changes after that.

Before completing the 2024 Form W-4, please read the instructions that are included with the form.

You must complete Steps 1 and 5. Steps 2, 3, and 4 are optional, but completing them will help ensure that your federal income tax withholding will more accurately match your tax liability.

Step 1 is for your personal information;

Step 2 is for households with multiple jobs;

Step 3 is used to claim tax credits for dependents;

Step 4 is for other adjustments (additional income such as interest and dividends, itemized deductions that exceed the standard deduction, and extra tax you want withheld); and

Step 5 is where you sign the form.

The IRS takes your privacy seriously and suggests that, if you are worried about reporting income from multiple jobs in Step 2 or other income in Step 4(a), you check the box in Step 2(c) or enter an additional withholding amount in Step 4(c).

To determine the additional withholding amount, you can use the withholding estimator.

The IRS has also published Frequently Asked Questions that you may find helpful as you complete the form <https://www.irs.gov/pub/irs-pdf/fw4.pdf>

We recommend that all employees should use the IRS's Tax Withholding Estimator (www.irs.gov/W4App) or reach out to their tax preparer to assist them with completing the form.