



Understanding the W2 and Withholding Checkups

HUMAN RESOURCES



Payroll Topics

- ▶ Earnings Statement Basics
- ▶ Understanding the W2
 - ▶ compared to your earnings statement
- ▶ Paycheck Withholding Checkups
 - ▶ Why you want to consider doing one

HR is not a Tax Advisor

- ▶ UW System provides information related to the W2 and earnings statement
- ▶ Payroll Checkup information was obtained via CUPA-HR
 - ▶ College and University Professional Association for Human Resources
- ▶ Human Resources staff are unable to provide you specific tax advice. You must work directly with a tax advisor.

Earnings Statement Basics

University of Wisconsin System
600 W WASHINGTON AVE STE 201
MADISON, WI 53703-4703

Pay Group: HPR Pay Begin Date: 09/16/2018
Business Unit: UWFOOSH Pay End Date: 09/28/2018
Payment Date: 10/11/2018

Name	Employee ID:	TAX DATA	Federal	WI State
Address	00123456	Married Status:	Single	Single
	Department: Office Support	Allowances:	0	0
	Location: Jones Hall	A&B Pct:	0.000	0.000
	Job Title:	A&B Amt.:	0.00	0.00
	Pay Rate: \$21.090			

HOURS AND EARNINGS						TAXES					
Description	EmpID	EmpFac	Rate	Hours	Earnings	Description	Tax Wages	Tax Wages	Current	YTD	Deductions
Regular Hours - No IC/Sm/Tm	00020899	0	21.090	72.00	1,516.48	Fed CASDIER*	1,871.74	32,401.67	116.04	2,008.90	
Overtime 1.0 - No IC/Sm/Tm	00020899	0	21.090	0.75	15.82	Fed CASDIER*	1,871.74	32,401.67	116.04	2,008.90	
Overtime 1.5 - No IC/Sm/Tm	00020899	0	21.090	1.50	47.65	Fed MEDIEE	1,871.74	32,401.67	27.14	469.82	
Comp Paymnt - No IC/Sm/Tm	00020899	0	21.090	5.75	121.27	Fed Withholding	1,871.74	28,458.96	180.21	2,666.03	
Comp Time Use - No IC/Sm/Tm	00020899	0	21.090	8.00	168.72	Fed MedIEE*	1,871.74	32,401.67	27.14	469.82	
Night Dif - No IC/Sm/Tm	00020899	0	21.090		2.25	WT Withholding	1,871.74	28,458.96	87.82	1,348.29	
Comp Earned @ 1.0	00020899	0	21.090		3.25						
Comp Earned @ 1.5	00020899	0	21.090		13.00						
IFT Use - No IC/Sm/Tm	00020899	0	21.090		48.00						
PH Use - No IC/Sm/Tm	00020899	0	21.090		36.00						
VN Use - No IC/Sm/Tm	00020899	0	21.090		127.50						
Weekend Dif - No IC/Sm/Tm	00020899	0	21.090		7.25						
* Employer amount (not included in totals)											
Total:				88.99	1,871.74	1,723.25	35,339.33	Total:		411.21	6,493.04

BEFORE-TAX DEDUCTIONS				AFTER-TAX DEDUCTIONS				EMPLOYER PAID BENEFITS				
Description	Current	YTD	Description	Current	YTD	Description	Current	YTD	Description	Current	YTD	
TLAA-CREP SEA	75.00	1,375.00	Park UW Outbreak	18.75	37.50	Wisconsin Retirement System	147.87	2,791.78				
Wisconsin Retirement System	125.41	2,367.71	Individual & Family Employee	0.00	72.90	WEA Trust East w/Debit	0.00	16,081.56				
Park UW Outbreak	0.00	168.75	Individual & Family Spouse DP	0.00	115.47	SGI Basic	0.00	26.89				
WEA Trust East w/Debit	0.00	1,871.00				SGI Supplemental	0.00	15.31				
EPIC	0.00	384.84				SGI Supplemental*	0.00	65.10				
SGI Basic	0.00	41.18				Income Continuation	0.00	215.82				
SGI Supplemental	0.00	41.18										
Medical Flexible Spending Acct	0.00	395.83										
* Taxable												
Total:				300.41	6,945.40	TOTAL EMPLOYEE TAXES:		225.87	TOTAL DEDUCTIONS:		147.87	39,196.46

Current:	1,871.74	411.21	219.16	1,241.37
YTD:	35,339.33	6,493.04	2,171.26	21,674.93

NET PAY DISTRIBUTION	
Checking	1,241.37
Bank	
Total:	1,241.37

Exploring Your Earnings Statement

► <https://uwservice.wisconsin.edu/help/earnings-statement/>

Understanding Your W2

W2 versus Earnings Statement Review:

<https://uwservice.wisconsin.edu/docs/publications/tax-w2-overview.pdf>

FORM W-2 Wage and Tax Statements		OMB No. 1545-0008		Department of the Treasury - Internal Revenue Service Copy B To Be Filed With Employee's FEDERAL Tax Return	
2222		a Employee's social security number		1 Wages, tips, other compensation	
b Employer's identification number 00-000000		3 Social security wages		2 Federal income tax withheld	
c Employer's name, address and ZIP code		6 Medicare wages and tips		4 Social security tax withheld	
e Employee's name (first, middle initial, last)		10 Dependent care benefits		6 Medicare tax withheld	
f Employee's address and ZIP code		13 Statutory Employee <input type="checkbox"/> Plan <input type="checkbox"/> Retirement <input type="checkbox"/> Third party sick pay <input type="checkbox"/>		11 Nonqualified plans	
15 State Employer's state I.D. No.		14 Other		12a See instructions for box 12 code	
16 State wages, tips, etc.		17 State income tax		12b code	
				12c code	
				12d code	
				This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.	

Paycheck Withholding Checkup

▶ Why Conduct a Paycheck Checkup?

- ▶ 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
- ▶ Some law changes in the Tax Cuts and Jobs Act may affect your withholding
 - ▶ Most employees will be impacted by these law changes

Key Changes in tax Law Affecting Withholding

- ▶ Generally lower **tax rates**
- ▶ **Standard deductions** almost doubled
 - ▶ Single: \$6,350 → \$12,000
 - ▶ Head of Household: \$9,350 → \$18,000
 - ▶ Married-Joint: \$12,700 → \$24,000
- ▶ **Exemptions** eliminated
- ▶ **Child Tax Credit** increased from \$1,000 to \$2,000 per child and eligibility expanded
- ▶ New **credit for other dependents** of \$500/dependent
- ▶ Changes to allowable **itemized deductions**
 - ▶ Ex: mortgage interest, charitable contributions, unreimbursed medical expenses

www.irs.gov/taxreform

www.irs.gov/payments/tax-withholding



Do a “Paycheck Checkup”

Use the Withholding Calculator to make sure you have the right amount of tax...

Calculator is only for Federal withholdings
Not for State withholding or Social Security/Medicare

www.irs.gov/payments/tax-withholding

The screenshot shows the IRS website's navigation bar with the IRS logo, a search bar, and links for Help, News, Language, Charities & Nonprofits, and Tax Pros. Below the navigation bar are tabs for File, Pay, Refunds, Credits & Deductions, and Forms & Instructions. The main content area is titled "Tax Withholding" and includes a breadcrumb trail: Home > Pay > Tax Withholding.

English | Español | 中文(繁體) | 한국어 | ਪੰਜਾਬੀ | Tiếng Việt

Bank Account (Direct Pay)

Pay by Debit or Credit Card

Payment Plan

Deposit Taxes

View Your Account

Penalties

Tax Withholding

Understand Your IRS Notice

Foreign Electronic Payments

Payment of User Fees (IVES, Historic Easement, U.S. Residency)

The Tax Cuts and Jobs Act changed the way tax is calculated.

The IRS encourages everyone to perform a “paycheck checkup” to see if you have the right amount of tax withheld for your personal situation.

For employees, withholding is the amount of federal income tax withheld from your paycheck. The amount of income tax your employer withholds from your regular pay depends on two things:

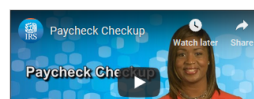
- The amount you earn.
- The information you give your employer on Form W-4.

For help with your withholding, you may use the Withholding Calculator. You can use the Withholding Calculator to estimate your 2018 income tax. The Withholding Calculator compares that estimate to your current tax withholding and can help you decide if you need to change your withholding with your employer.

More details about the Withholding Calculator and the new 2018 withholding tables can be found on the Frequently Asked Question pages:

- [Withholding Calculator FAQs](#)
- [Withholding Table FAQs](#)

Withholding Calculator



What Do I Need to Complete Calculation?

- ▶ Most recent pay stubs (month)
- ▶ Most recent income tax return
- ▶ Tax Filing Status for future income tax return
 - ▶ Can someone else claim you as a dependent on his/her tax return
 - ▶ Number of jobs you have had
 - ▶ If you contribute to tax-deferred retirement plan
 - ▶ If you contribute to cafeteria or other pre-tax plan (health)
 - ▶ Number of dependents you will claim on tax return
 - ▶ Will be 65 or older or if you are blind

Key Takeaways for Paycheck Checkups

- ▶ Recommend Employees conduct a paycheck checkup in 2019 as forecast for entire year
 - ▶ Online Federal Calculator: www.irs.gov/payments/tax-withholding
- ▶ Complete a new W4 and send to Human Resources if wish to change withholdings
 - ▶ <https://uwosh.edu/hr/wp-content/uploads/sites/90/2015/11/W4.pdf>

Resources

- ▶ **Human Resources:** <https://uwosh.edu/hr/>
 - ▶ Payroll Information is found under Current Employees
 - ▶ By Employment Type: Faculty, Academic Staff, University Staff, Student Employees
 - ▶ Then Payroll & Leave section - <https://uwosh.edu/hr/current-employees/>

- ▶ **UW System Service Center:** <https://uwservice.wisconsin.edu/>
 - ▶ Tax Filing: <https://uwservice.wisconsin.edu/tax/filing-resources.php>
 - ▶ Exploring Your Earnings Statement:
<https://uwservice.wisconsin.edu/help/earnings-statement/>

- ▶ **Internal Revenue System (IRS):** <https://www.irs.gov/>
 - ▶ Tax Withholding: www.irs.gov/payments/tax-withholding

- ▶ **WI Department of Revenue (DOR):** <https://www.revenue.wi.gov/>
 - ▶ If you do not claim taxes in Wisconsin you can use a search engine to refer to your own state's DOR