



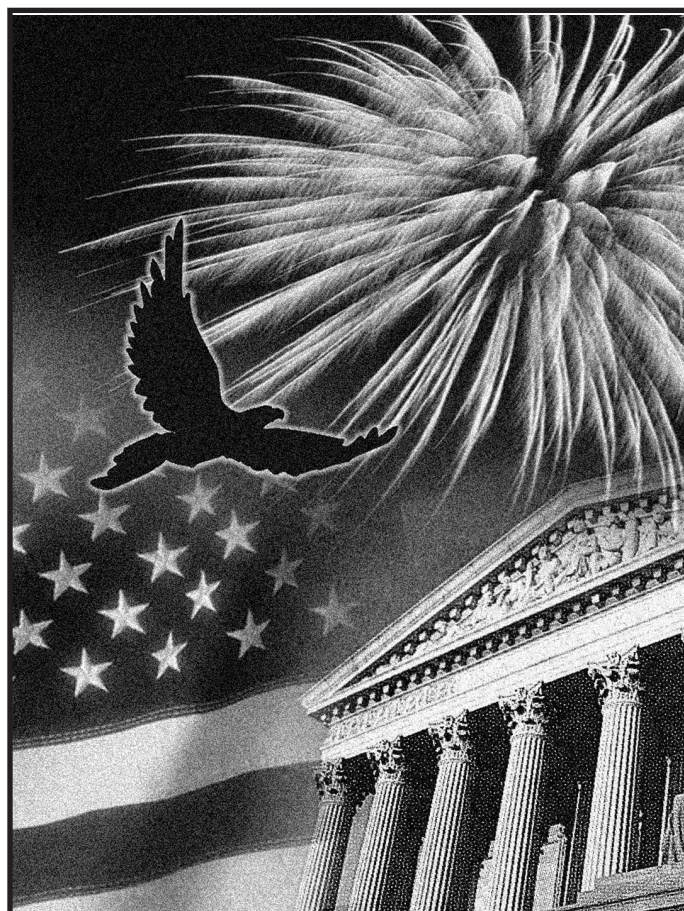
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For use in **2018**



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Future Developments

For the latest information about developments related to Pub. 15, such as legislation enacted after it was published, go to [IRS.gov/Pub15](https://www.irs.gov/pub15).

What's New

2018 federal income tax withholding. This publication includes the 2018 Percentage Method Tables and Wage Bracket Method Tables for Income Tax Withholding. The 2018 withholding tables incorporate changes to the individual tax rates based on tax legislation enacted on December 22, 2017 (P.L. 115-97). Employers should

implement the 2018 withholding tables as soon as possible, but not later than February 15, 2018. Continue to use the 2017 withholding tables until you implement the 2018 withholding tables. The new withholding tables are designed to work with the Forms W-4, Employee's Withholding Allowance Certificate, that your employees previously gave you.

To help employees determine their withholding, the IRS is revising the withholding tax calculator available at [IRS.gov/W4App](https://www.irs.gov/W4App). The IRS anticipates that this calculator will be available by the end of February. Encourage your employees to use the withholding calculator to determine if they should give you a new Form W-4 for 2018. The IRS is also working on revising Form W-4 for 2018. The calculator and revised Form W-4 can be used by employees who wish to update their withholding in response to the new law or changes in their personal circumstances in 2018, and by workers starting a new job. Until a new Form W-4 is issued, employees and employers should continue to use the 2017 Form W-4. For more information, go to [IRS.gov/NR1036](https://www.irs.gov/NR1036).

An employee who experiences a change of status that causes a reduction in the number of withholding allowances isn't required to give his or her employer a new Form W-4 until 30 days after the 2018 Form W-4 is released. An employee that has a reduction in the number of withholding allowances solely due to changes from P.L. 115-97 isn't required to give his or her employer a new Form W-4 during 2018 but may do so at any time. Employees may use the 2017 Form W-4 to report changes to withholding allowances until 30 days after the 2018 Form W-4 is released. New employees may continue to claim allowances on the 2017 Form W-4 until 30 days after the 2018 Form W-4 is released. Employees who submit new Forms W-4 for 2018 using the 2017 Form W-4 don't need to re-submit a 2018 Form W-4 when the 2018 Form W-4 is released.

Exempt Form W-4. Generally, an employee may claim exemption from federal income tax withholding because he or she had no federal income tax liability last year and expects none this year. To continue to be exempt from withholding in 2018, an employee must give you a new Form W-4 by February 28, 2018. However, the 2018 Form W-4 may not be available before February 28, 2018. Employees may claim exemption from withholding for 2018 using the 2017 Form W-4 until 30 days after the 2018 Form W-4 is released. The 2017 Form W-4 must be (1) edited by striking "2017" in the text on line 7 and entering "2018" in its place, (2) completed by entering "Exempt 2018" on line 7, or (3) not edited but signed in 2018 and submitted under procedures established by the employer for the employee to certify entitlement to exempt status for 2018 by using the 2017 Form W-4 to claim exemption from withholding for 2018. In addition to 1–3 above, the employee can use any substantially similar method to 1–3 that clearly conveys in writing the employee's intent to certify his or her exemption from withholding for 2018. Employers that have established electronic systems for furnishing withholding allowance certificates may change their electronic systems to substantially conform with the options discussed above.

If the employee doesn't give you Form W-4 by February 28, 2018, follow the withholding rules discussed in section 9 under [Exemption from federal income tax withholding](#). Employees who claimed exemption from withholding for 2018 using the 2017 Form W-4, as discussed above, don't need to resubmit a 2018 Form W-4 when the 2018 Form W-4 is released.

Withholding allowance. The 2018 amount for one withholding allowance on an annual basis is \$4,150.

Withholding on supplemental wages. P.L. 115-97 lowered the withholding rates on supplemental wages. See [section 7](#) for the new rates.

Backup withholding. P.L. 115-97 lowered the backup withholding rate to 24%. For more information on backup withholding, see [Backup withholding](#), later.

Moving expense reimbursement. P.L. 115-97 suspends the exclusion for qualified moving expense reimbursements from your employee's income beginning after December 31, 2017, and before January 1, 2026. However, the exclusion is still available in the case of a member of the U.S. Armed Forces on active duty who moves because of a permanent change of station. The exclusion applies only to reimbursement of moving expenses that the member could deduct if he or she had paid or incurred them without reimbursement. See *Moving Expenses* in Pub. 3, Armed Forces' Tax Guide, for the definition of what constitutes a permanent change of station and to learn which moving expenses are deductible.

Social security and Medicare tax for 2018. The social security tax rate is 6.2% each for the employee and employer, unchanged from 2017. The social security wage base limit is \$128,400.

The Medicare tax rate is 1.45% each for the employee and employer, unchanged from 2017. There is no wage base limit for Medicare tax.

Social security and Medicare taxes apply to the wages of household workers you pay \$2,100 or more in cash wages for 2018. Social security and Medicare taxes apply to election workers who are paid \$1,800 or more in cash or an equivalent form of compensation in 2018.

Disaster tax relief. Disaster tax relief was enacted for those impacted by Hurricane Harvey, Irma, or Maria. Additionally, the IRS has provided special relief designed to support employer leave-based donation programs to aid the victims of these hurricanes and to aid the victims of the California wildfires that began October 8, 2017. For more information about disaster relief, including the treatment of amounts paid to qualified tax-exempt organizations under employer leave-based donation programs, see Pub. 976.

Reminders

Qualified small business payroll tax credit for increasing research activities. For tax years beginning after December 31, 2015, a qualified small business may elect to claim up to \$250,000 of its credit for increasing research activities as a payroll tax credit against the

employer's share of social security tax. The portion of the credit used against the employer's share of social security tax is allowed in the first calendar quarter beginning after the date that the qualified small business filed its income tax return. The election and determination of the credit amount that will be used against the employer's share of social security tax are made on Form 6765, Credit for Increasing Research Activities. The amount from Form 6765, line 44, must then be reported on Form 8974, Qualified Small Business Payroll Tax Credit for Increasing Research Activities. Form 8974 is used to determine the amount of the credit that can be used in the current quarter. The amount from Form 8974, line 12, is reported on Form 941 or 941-SS, line 11 (or Form 944, line 8). For more information about the payroll tax credit, see Notice 2017-23, 2017-16 I.R.B. 1100, available at [IRS.gov/irb/2017-16_IRB/ar07.html](https://www.irs.gov/irb/2017-16_IRB/ar07.html). Also see the line 16 instructions in the Instructions for Form 941 (line 13 instructions in the Instructions for Form 944).

Certification program for professional employer organizations. The Tax Increase Prevention Act of 2014 required the IRS to establish a voluntary certification program for professional employer organizations (PEOs). PEOs handle various payroll administration and tax reporting responsibilities for their business clients and are typically paid a fee based on payroll costs. To become and remain certified under the certification program, certified professional employer organizations (CPEOs) must meet various requirements described in sections 3511 and 7705 and related published guidance. Certification as a CPEO may affect the employment tax liabilities of both the CPEO and its customers. A CPEO is generally treated as the employer of any individual who performs services for a customer of the CPEO and is covered by a contract described in section 7705(e)(2) between the CPEO and the customer (CPEO contract), but only for wages and other compensation paid to the individual by the CPEO. For more information, go to [IRS.gov/CPEO](https://www.irs.gov/CPEO). Also see Revenue Procedure 2017-14, 2017-3, I.R.B. 426, available at [IRS.gov/irb/2017-03_IRB/ar14.html](https://www.irs.gov/irb/2017-03_IRB/ar14.html).

Work opportunity tax credit for qualified tax-exempt organizations hiring qualified veterans. The work opportunity tax credit is available for eligible unemployed veterans who begin work on or after November 22, 2011, and before January 1, 2020. Qualified tax-exempt organizations that hire eligible unemployed veterans can claim the work opportunity tax credit against their payroll tax liability using Form 5884-C. For more information, go to [IRS.gov/WOTC](https://www.irs.gov/WOTC).

COBRA premium assistance credit. Effective for tax periods beginning after December 31, 2013, the credit for COBRA premium assistance payments can't be claimed on Form 941, Employer's QUARTERLY Federal Tax Return (or Form 944, Employer's ANNUAL Federal Tax Return). Instead, after filing your Form 941 (or Form 944), file Form 941-X, Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund (or Form 944-X, Adjusted Employer's ANNUAL Federal Tax Return or Claim for Refund), respectively, to claim the COBRA premium assistance credit. Filing a Form 941-X (or Form 944-X) before filing a Form 941 (or Form 944) for the return period may

result in errors or delays in processing your Form 941-X (or Form 944-X). For more information, see the Instructions for Form 941 (or the Instructions for Form 944), or go to [IRS.gov/COBRACredit](https://www.irs.gov/COBRACredit).

Medicaid waiver payments. Notice 2014-7 provides that certain Medicaid waiver payments are excludable from income for federal income tax purposes. See Notice 2014-7, 2014-4 I.R.B. 445, available at [IRS.gov/irb/2014-4_IRB/ar06.html](https://www.irs.gov/irb/2014-4_IRB/ar06.html). For more information, including questions and answers related to Notice 2014-7, go to [IRS.gov/MedicaidWaiverPayments](https://www.irs.gov/MedicaidWaiverPayments).

No federal income tax withholding on disability payments for injuries incurred as a direct result of a terrorist attack directed against the United States. Disability payments for injuries incurred as a direct result of a terrorist attack directed against the United States (or its allies) aren't included in income. Because federal income tax withholding is only required when a payment is includable in income, no federal income tax should be withheld from these payments.

Voluntary withholding on dividends and other distributions by an Alaska Native Corporation (ANC). A shareholder of an ANC may request voluntary income tax withholding on dividends and other distributions paid by an ANC. A shareholder may request voluntary withholding by giving the ANC a completed Form W-4V. For more information see Notice 2013-77, 2013-50 I.R.B. 632, available at [IRS.gov/irb/2013-50_IRB/ar10.html](https://www.irs.gov/irb/2013-50_IRB/ar10.html).

Definition of marriage. A marriage of two individuals is recognized for federal tax purposes if the marriage is recognized by the state, possession, or territory of the United States in which the marriage is entered into, regardless of legal residence. Two individuals who enter into a relationship that is denominated as marriage under the laws of a foreign jurisdiction are recognized as married for federal tax purposes if the relationship would be recognized as marriage under the laws of at least one state, possession, or territory of the United States, regardless of legal residence. Individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that isn't denominated as a marriage under the law of the state, possession, or territory of the United States where such relationship was entered into aren't lawfully married for federal tax purposes, regardless of legal residence.

Outsourcing payroll duties. Generally, you're responsible to ensure that tax returns are filed and deposits and payments are made, even if you contract with a third party to perform these acts. You remain responsible if the third party fails to perform any required action. If you choose to outsource any of your payroll and related tax duties (that is, withholding, reporting, and paying over social security, Medicare, FUTA, and income taxes) to a third-party payer, such as a payroll service provider or reporting agent, go to [IRS.gov/OutsourcingPayrollDuties](https://www.irs.gov/OutsourcingPayrollDuties) for helpful information on this topic. If a CPEO pays wages and other compensation to an individual performing services for you, and the services are covered by a contract described in section 7705(e)(2) between you and the CPEO (CPEO contract), then the CPEO is generally treated as the employer, but only for wages and other compensation paid to the

individual by the CPEO. However, with respect to certain employees covered by a CPEO contract, a customer may also be treated as an employer of the employees and, consequently, may also be liable for federal employment taxes imposed on wages and other compensation paid by the CPEO to such employees. For more information on the different types of third-party payer arrangements, see [section 16](#).

Severance payments are subject to social security and Medicare taxes, income tax withholding, and FUTA tax. Severance payments are wages subject to social security and Medicare taxes. As noted in [section 15](#), severance payments are also subject to income tax withholding and FUTA tax.

You must receive written notice from the IRS to file Form 944. If you've been filing Forms 941 (or Forms 941-SS, Employer's QUARTERLY Federal Tax Return—American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands, or Formularios 941-PR, Planilla para la Declaración Federal TRIMESTRAL del Patrono), and believe your employment taxes for the calendar year will be \$1,000 or less, and you would like to file Form 944 instead of Forms 941, you must contact the IRS during the first calendar quarter of the tax year to request to file Form 944. You must receive written notice from the IRS to file Form 944 instead of Forms 941 before you may file this form. For more information on requesting to file Form 944, including the methods and deadlines for making a request, see the Instructions for Form 944.

Employers can request to file Forms 941 instead of Form 944. If you received notice from the IRS to file Form 944 but would like to file Forms 941 instead, you must contact the IRS during the first calendar quarter of the tax year to request to file Forms 941. You must receive written notice from the IRS to file Forms 941 instead of Form 944 before you may file these forms. For more information on requesting to file Forms 941, including the methods and deadlines for making a request, see the Instructions for Form 944.

Federal tax deposits must be made by electronic funds transfer (EFT). You must use EFT to make all federal tax deposits. Generally, an EFT is made using the Electronic Federal Tax Payment System (EFTPS). If you don't want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make electronic deposits on your behalf. Also, you may arrange for your financial institution to initiate a same-day wire payment on your behalf. EFTPS is a free service provided by the Department of Treasury. Services provided by your tax professional, financial institution, payroll service, or other third party may have a fee.

For more information on making federal tax deposits, see [How To Deposit](#) in section 11. To get more information about EFTPS or to enroll in EFTPS, go to [EFTPS.gov](#), or call 1-800-555-4477 or 1-800-733-4829 (TDD). Additional information about EFTPS is also available in Pub. 966.

Aggregate Form 941 filers. Agents and CPEOs must complete Schedule R (Form 941), Allocation Schedule for

Aggregate Form 941 Filers, when filing an aggregate Form 941. Aggregate Forms 941 are filed by agents approved by the IRS under section 3504 of the Internal Revenue Code (IRC). To request approval to act as an agent for an employer, the agent files Form 2678 with the IRS. Aggregate Forms 941 are also filed by CPEOs approved by the IRS under section 7705. CPEOs file Form 8973, Certified Professional Employer Organization/Customer Reporting Agreement, to notify the IRS that they've started or ended a service contract with a client or customer.

Aggregate Form 940 filers. Agents and CPEOs must complete Schedule R (Form 940), Allocation Schedule for Aggregate Form 940 Filers, when filing an aggregate Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return. Aggregate Forms 940 can be filed by agents acting on behalf of home care service recipients who receive home care services through a program administered by a federal, state, or local government. To request approval to act as an agent on behalf of home care service recipients, the agent files Form 2678 with the IRS. Aggregate Forms 940 are also filed by CPEOs approved by the IRS under section 7705. CPEOs file Form 8973 to notify the IRS that they've started or ended a service contract with a client or customer.

Pub. 5146 explains employment tax examinations and appeal rights. Pub. 5146 provides employers with information on how the IRS selects employment tax returns to be examined, what happens during an exam, and what options an employer has in responding to the results of an exam, including how to appeal the results. Pub. 5146 also includes information on worker classification issues and tip exams.

Electronic Filing and Payment

Now, more than ever before, businesses can enjoy the benefits of filing and paying their federal taxes electronically. Whether you rely on a tax professional or handle your own taxes, the IRS offers you convenient programs to make filing and payment easier.

Spend less time and worry on taxes and more time running your business. Use *e-file* and EFTPS to your benefit.

- For *e-file*, go to [IRS.gov/EmploymentEfile](#) for additional information. A fee may be charged to file electronically.
- For EFTPS, go to [EFTPS.gov](#) or call EFTPS Customer Service at 1-800-555-4477 or 1-800-733-4829 (TDD).
- For electronic filing of Forms W-2, Wage and Tax Statement, go to [SSA.gov/employer](#).



If you're filing your tax return or paying your federal taxes electronically, a valid EIN is required at the time the return is filed or the payment is made. If a valid EIN isn't provided, the return or payment won't be processed. This may result in penalties.

Electronic funds withdrawal (EFW). If you file your employment tax return electronically, you can *e-file* and use

EFW to pay the balance due in a single step using tax preparation software or through a tax professional. However, don't use EFW to make federal tax deposits. For more information on paying your taxes using EFW, go to [IRS.gov/EFW](https://www.irs.gov/EFW).

Credit or debit card payments. You can pay the balance due shown on your employment tax return by credit or debit card. Don't use a credit or debit card to make federal tax deposits. For more information on paying your taxes with a credit or debit card, go to [IRS.gov/PayByCard](https://www.irs.gov/PayByCard). Your payment will be processed by a payment processor who will charge a processing fee.

Online payment agreement. You may be eligible to apply for an installment agreement online if you can't pay the full amount of tax you owe when you file your employment tax return. For more information, see the instructions for your employment tax return or go to [IRS.gov/OPA](https://www.irs.gov/OPA).

Forms in Spanish

You can provide Formulario W-4(SP), Certificado de Exención de Retenciones del Empleado, in place of Form W-4, Employee's Withholding Allowance Certificate, to your Spanish-speaking employees. For more information, see Pub. 17(SP), El Impuesto Federal sobre los Ingresos (Para Personas Físicas). For nonemployees, such as independent contractors, Formulario W-9(SP), Solicitud y Certificación del Número de Identificación del Contribuyente, may be used in place of Form W-9, Request for Taxpayer Identification Number and Certification.

Hiring New Employees

Eligibility for employment. You must verify that each new employee is legally eligible to work in the United States. This includes completing the U.S. Citizenship and Immigration Services (USCIS) Form I-9, Employment Eligibility Verification. You can get Form I-9 at [USCIS.gov/Forms](https://uscis.gov/Forms), USCIS offices, or by calling 1-800-870-3676. For more information, visit the USCIS website at [USCIS.gov/I-9-Central](https://uscis.gov/I-9-Central) or call 1-800-375-5283 or 1-800-767-1833 (TDD).

New hire reporting. You're required to report any new employee to a designated state new hire registry. A new employee is an employee who hasn't previously been employed by you or was previously employed by you but has been separated from such prior employment for at least 60 consecutive days.

Many states accept a copy of Form W-4 with employer information added. Visit the Office of Child Support Enforcement website at acf.hhs.gov/programs/css/employers for more information.

W-4 request. Ask each new employee to complete the 2018 Form W-4. See [section 9](#). New employees may continue to claim allowances on the 2017 Form W-4 until 30 days after the 2018 Form W-4 is released.

Name and social security number (SSN). Record each new employee's name and SSN from his or her social security card. Any employee without a social security card should apply for one. See [section 4](#).

Paying Wages, Pensions, or Annuities

Correcting Form 941 or Form 944. If you discover an error on a previously filed Form 941 or Form 944, make the correction using Form 941-X or Form 944-X. Forms 941-X and 944-X are stand-alone forms, meaning taxpayers can file them when an error is discovered. Forms 941-X and 944-X are used by employers to claim refunds or abate-ments of employment taxes, rather than Form 843. See [section 13](#) for more information.

Income tax withholding. Withhold federal income tax from each wage payment or supplemental unemployment compensation plan benefit payment according to the employee's Form W-4 and the correct withholding table. If you have nonresident alien employees, see [Withholding income taxes on the wages of nonresident alien employees](#) in section 9.

In 2018, withhold from periodic pension and annuity payments as if the recipient is married claiming three withholding allowances, unless he or she has provided Form W-4P, Withholding Certificate for Pension or Annuity Payments, either electing no withholding or giving a different number of allowances, marital status, or an additional amount to be withheld. Don't withhold on direct rollovers from qualified plans or governmental section 457(b) plans. See [section 9](#) and Pub. 15-A, Employer's Supplemental Tax Guide. Pub. 15-A includes information about withholding on pensions and annuities.

Zero wage return. If you haven't filed a "final" Form 941 or Form 944, or aren't a "seasonal" employer, you must continue to file a Form 941 or Form 944, even for periods during which you paid no wages. The IRS encourages you to file your "Zero Wage" Forms 941 or 944 electronically. Go to [IRS.gov/EmploymentEfile](https://www.irs.gov/EmploymentEfile) for more information on electronic filing.

Information Returns

You may be required to file information returns to report certain types of payments made during the year. For example, you must file Form 1099-MISC, Miscellaneous Income, to report payments of \$600 or more to persons not treated as employees (for example, independent contractors) for services performed for your trade or business. For details about filing Forms 1099 and for information about required electronic filing, see the General Instructions for Certain Information Returns for general information and the separate, specific instructions for each information return you file (for example, Instructions for Form 1099-MISC). Generally, don't use Forms 1099 to report wages and other compensation you paid to employees; report these on Form W-2. See the General Instructions for Forms W-2 and W-3 for details about filing Form W-2 and for information about required electronic filing. If you file 250 or more Forms 1099-MISC, you must file them electronically. If you file 250 or more Forms W-2, you must file them electronically. Electronic filing is the only form of magnetic media that the IRS and SSA will accept.

Information reporting customer service site. The IRS operates an information return customer service site to answer questions about reporting on Forms W-2, W-3, 1099, and other information returns. If you have questions

related to reporting on information returns, call 1-866-455-7438 (toll free), 304-263-8700 (toll call), or 304-579-4827 (TDD/TTY for persons who are deaf, hard of hearing, or have a speech disability). The center can also be reached by email at mccirp@irs.gov. Don't include tax identification numbers (TINs) or attachments in email correspondence because electronic mail isn't secure.

Nonpayroll Income Tax Withholding

Nonpayroll federal income tax withholding (reported on Forms 1099 and Form W-2G, Certain Gambling Winnings) must be reported on Form 945, Annual Return of Withheld Federal Income Tax. Separate deposits are required for payroll (Form 941 or Form 944) and nonpayroll (Form 945) withholding. Nonpayroll items include:

- Pensions (including distributions from tax-favored retirement plans, for example, section 401(k), section 403(b), and governmental section 457(b) plans), annuities, and IRA distributions.
- Military retirement.
- Gambling winnings.
- Indian gaming profits.

Employer Responsibilities

Employer Responsibilities: The following list provides a brief summary of your basic responsibilities. Because the individual circumstances for each employer can vary greatly, responsibilities for withholding, depositing, and reporting employment taxes can differ. Each item in this list has a page reference to a more detailed discussion in this publication.

New Employees:		Page	Annually (see Calendar for due dates):		Page
<input type="checkbox"/>	Verify work eligibility of new employees	5	<input type="checkbox"/>	File Form 944 if required (pay tax with return if not required to deposit)	31
<input type="checkbox"/>	Record employees' names and SSNs from social security cards	5	<input type="checkbox"/>	Remind employees to submit a new Form W-4 if they need to change their withholding	21
<input type="checkbox"/>	Ask employees for Form W-4	5	<input type="checkbox"/>	Ask for a new Form W-4 from employees claiming exemption from income tax withholding	22
Each Payday:			<input type="checkbox"/>	Reconcile Forms 941 (or Form 944) with Forms W-2 and W-3	33
<input type="checkbox"/>	Withhold federal income tax based on each employee's Form W-4	21	<input type="checkbox"/>	Furnish each employee a Form W-2	9
<input type="checkbox"/>	Withhold employee's share of social security and Medicare taxes	24	<input type="checkbox"/>	File Copy A of Forms W-2 and the transmittal Form W-3 with the SSA	9
<input type="checkbox"/>	Deposit:		<input type="checkbox"/>	Furnish each other payee a Form 1099 (for example, Form 1099-MISC)	9
	• Withheld income tax		<input type="checkbox"/>	File Forms 1099 and the transmittal Form 1096	9
	• Withheld and employer social security taxes		<input type="checkbox"/>	File Form 940	9
	• Withheld and employer Medicare taxes	26	<input type="checkbox"/>	File Form 945 for any nonpayroll income tax withholding	9
Note: Due date of deposit generally depends on your deposit schedule (monthly or semiweekly)					
Quarterly (By April 30, July 31, October 31, and January 31):					
<input type="checkbox"/>	Deposit FUTA tax if undeposited amount is over \$500	37			
<input type="checkbox"/>	File Form 941 (pay tax with return if not required to deposit)	31			

- Certain government payments on which the recipient elected voluntary income tax withholding.
- Dividends and other distributions by an ANC on which the recipient elected voluntary income tax withholding.
- Payments subject to backup withholding.

For details on depositing and reporting nonpayroll income tax withholding, see the Instructions for Form 945.

Distributions from nonqualified pension plans and deferred compensation plans. Because distributions to participants from some nonqualified pension plans and deferred compensation plans (including section 457(b) plans of tax-exempt organizations) are treated as wages and are reported on Form W-2, income tax withheld must be reported on Form 941 or Form 944, not on Form 945. However, distributions from such plans to a beneficiary or estate of a deceased employee aren't wages and are reported on Forms 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.; income tax withheld must be reported on Form 945.

Backup withholding. You generally must withhold 24% of certain taxable payments if the payee fails to furnish you with his or her correct taxpayer identification number (TIN). This withholding is referred to as “backup withholding.”

Payments subject to backup withholding include interest, dividends, patronage dividends, rents, royalties, commissions, nonemployee compensation, payments made in settlement of payment card or third-party network transactions, and certain other payments you make in the course of your trade or business. In addition, transactions by brokers and barter exchanges and certain payments made by fishing boat operators are subject to backup withholding.



Backup withholding doesn't apply to wages, pensions, annuities, IRAs (including simplified employee pension (SEP) and SIMPLE retirement plans), section 404(k) distributions from an employee stock ownership plan (ESOP), medical savings accounts (MSAs), health savings accounts (HSAs), long-term-care benefits, or real estate transactions.

You can use Form W-9 or Formulario W-9(SP) to request payees to furnish a TIN. Form W-9 or Formulario W-9 (SP) must be used when payees must certify that the number furnished is correct, or when payees must certify that they're not subject to backup withholding or are exempt from backup withholding. The Instructions for the Requester of Form W-9 or Formulario W-9(SP) includes a list of types of payees who are exempt from backup withholding. For more information, see Pub. 1281, Backup Withholding for Missing and Incorrect Name/TIN(s).

Recordkeeping

Keep all records of employment taxes for at least 4 years. These should be available for IRS review. Your records should include the following information.

- Your EIN.
- Amounts and dates of all wage, annuity, and pension payments.
- Amounts of tips reported to you by your employees.
- Records of allocated tips.
- The fair market value of in-kind wages paid.
- Names, addresses, SSNs, and occupations of employees and recipients.
- Any employee copies of Forms W-2 and W-2c returned to you as undeliverable.
- Dates of employment for each employee.
- Periods for which employees and recipients were paid while absent due to sickness or injury and the amount and weekly rate of payments you or third-party payors made to them.
- Copies of employees' and recipients' income tax withholding allowance certificates (Forms W-4, W-4P, W-4(SP), W-4S, and W-4V).
- Dates and amounts of tax deposits you made and acknowledgment numbers for deposits made by EFTPS.
- Copies of returns filed and confirmation numbers.
- Records of fringe benefits and expense reimbursements provided to your employees, including substantiation.

Change of Business Name

Notify the IRS immediately if you change your business name. Write to the IRS office where you file your returns, using the *Without a payment* address provided in the instructions for your employment tax return, to notify the IRS of any business name change. See Pub. 1635 to see if you need to apply for a new EIN.

Change of Business Address or Responsible Party

Notify the IRS immediately if you change your business address or responsible party. Complete and mail Form 8822-B to notify the IRS of a business address or responsible party change. For a definition of “responsible party,” see the Form 8822-B instructions.

Private Delivery Services

You can use certain private delivery services (PDSs) designated by the IRS to meet the “timely mailing as timely filing” rule for tax returns. Go to [IRS.gov/PDS](https://www.irs.gov/PDS) for the current list of PDSs.

The PDS can tell you how to get written proof of the mailing date.

For the IRS mailing address to use if you're using a PDS, go to [IRS.gov/PDSstreetAddresses](https://www.irs.gov/PDSstreetAddresses).



PDSs can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Telephone Help

Tax questions. You can call the IRS Business and Specialty Tax Line with your employment tax questions at 1-800-829-4933.

Help for people with disabilities. You may call 1-800-829-4059 (TDD/TTY for persons who are deaf, hard of hearing, or have a speech disability) with any employment tax questions. You may also use this number for assistance with unresolved tax problems.

Additional employment tax information. Go to [IRS.gov/EmploymentTaxes](https://www.irs.gov/EmploymentTaxes) for additional employment tax information.

Ordering Employer Tax Forms and Publications

You can order employer tax forms and publications and information returns online at [IRS.gov/OrderForms](https://www.irs.gov/OrderForms).

Instead of ordering paper Forms W-2 and W-3, consider filing them electronically using the SSA's free e-file service. Visit the SSA's Employer W-2 Filing Instructions & Information website at [SSA.gov/employer](https://ssa.gov/employer) to register for Business Services Online. You'll be able to create Forms W-2 online and submit them to the SSA by typing your wage information into easy-to-use fill-in fields. In addition, you can print out completed copies of Forms W-2 to file with state or local governments, distribute to your employees, and keep for your records. Form W-3 will be created for you based on your Forms W-2.

Filing Addresses

Generally, your filing address for Forms 940, 941, 943, 944, 945, and CT-1 depends on the location of your residence or principal place of business and whether or not you're including a payment with your return. There are separate filing addresses for these returns if you're a tax-exempt organization or government entity. See the

separate instructions for Forms 940, 941, 943, 944, 945, or CT-1 for the filing addresses.

Dishonored Payments

Any form of payment that is dishonored and returned from a financial institution is subject to a penalty. The penalty is \$25 or 2% of the payment, whichever is more. However, the penalty on dishonored payments of \$24.99 or less is an amount equal to the payment. For example, a dishonored payment of \$18 is charged a penalty of \$18.

Photographs of Missing Children

The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](https://www.nccmec.org/). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Calendar

The following is a list of important dates and responsibilities. Also see Pub. 509, Tax Calendars.



If any date shown next for filing a return, furnishing a form, or depositing taxes falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. The term "legal holiday" means any legal holiday in the District of Columbia. A statewide legal holiday delays a filing due date only if the IRS office where you're required to file is located in that state. However, a statewide legal holiday doesn't delay the due date of federal tax deposits. See [Deposits Due on Business Days Only](#) in section 11. For any filing due date, you'll meet the "file" or "furnish" requirement if the envelope containing the return or form is properly addressed, contains sufficient postage, and is postmarked by the U.S. Postal Service on or before the due date, or sent by an IRS-designated PDS on or before the due date. See [Private Delivery Services](#) under Reminders for more information.

By January 31

File Form 941 or Form 944. File Form 941 for the fourth quarter of the previous calendar year and deposit any undeposited income, social security, and Medicare taxes. You may pay these taxes with Form 941 if your total tax liability for the quarter is less than \$2,500. File Form 944 for the previous calendar year instead of Form 941 if the IRS has notified you in writing to file Form 944 and pay any undeposited income, social security, and Medicare taxes. You may pay these taxes with Form

944 if your total tax liability for the year is less than \$2,500. For additional rules on when you can pay your taxes with your return, see [Payment with return](#) in section 11. If you timely deposited all taxes when due, you may file by February 10.

File Form 940. File Form 940 to report any FUTA tax. However, if you deposited all of the FUTA tax when due, you may file by February 10.

Furnish Forms 1099 and W-2. Furnish each employee a completed Form W-2. Furnish Form 1099-MISC to payees for nonemployee compensation. Most Forms 1099 must be furnished to payees by January 31, but some can be furnished by February 15. For more information, see the General Instructions for Certain Information Returns.

File Form W-2. File with the SSA Copy A of all 2017 paper and electronic Forms W-2 with Form W-3, Transmittal of Wage and Tax Statements. For more information on reporting Form W-2 information to the SSA electronically, visit the SSA's Employer W-2 Filing Instructions & Information webpage at [SSA.gov/employer](https://ssa.gov/employer). If filing electronically, via the SSA's Form W-2 Online service, the SSA will generate Form W-3 data from the electronic submission of Form(s) W-2.

File Form 1099-MISC reporting nonemployee compensation. File with the IRS Copy A of all 2017 paper and electronic Forms 1099-MISC that report nonemployee compensation, with Form 1096, Annual Summary and Transmittal of U.S. Information Returns. For information on filing information returns electronically with the IRS, see Pub. 1220, Specifications for Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G.

File Form 945. File Form 945 to report any nonpayroll federal income tax withheld. If you deposited all taxes when due, you may file by February 10. See [Nonpayroll Income Tax Withholding](#) under *Reminders* for more information.

By February 28

Request a new Form W-4 from exempt employees. Ask for a new Form W-4 from each employee who claimed exemption from income tax withholding last year.

File paper 2017 Forms 1099 and 1096. File Copy A of all paper 2017 Forms 1099, except Forms 1099-MISC reporting nonemployee compensation, with Form 1096 with the IRS. For electronically filed returns, see [By March 31](#) below.

File paper Form 8027. File paper Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, with the IRS. See [section 6](#). For electronically filed returns, see [By March 31](#) below.

On March 1

Forms W-4 claiming exemption from withholding expire. Any Form W-4 claiming exemption from withholding for the previous year has now expired. Begin withholding for any employee who previously claimed exemption from withholding but hasn't given you a new Form W-4 for the current year. If the employee doesn't give you a new Form W-4, withhold tax based on the last valid Form W-4 you have for the employee that doesn't claim exemption from withholding or, if one doesn't exist, as if he or she is single with zero withholding allowances. See [section 9](#) for more information. If the employee gives you a new Form W-4 claiming exemption from withholding after February 28, you may apply the exemption to future wages, but don't refund taxes withheld while the exempt status wasn't in place.

By March 31

File electronic 2017 Forms 1099 and 8027. File electronic 2017 Forms 1099, except Forms 1099-MISC reporting nonemployee compensation, and 8027 with the IRS. For information on filing information returns electronically with the IRS, see Pub. 1220 and Pub. 1239, Specifications for Electronic Filing of Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips.

By April 30, July 31, October 31, and January 31

Deposit FUTA taxes. Deposit FUTA tax for the quarter (including any amount carried over from other quarters) if over \$500. If \$500 or less, carry it over to the next quarter. See [section 14](#) for more information.

File Form 941. File Form 941 and deposit any undeposited income, social security, and Medicare taxes. You may pay these taxes with Form 941 if your total tax liability for the quarter is less than \$2,500. If you timely deposited all taxes when due, you may file by May 10, August 10, November 10, or February 10, respectively. Don't file Form 941 for these quarters if you have been notified to file Form 944 and you didn't request and receive written notice from the IRS to file quarterly Forms 941.

Before December 1

New Forms W-4. Remind employees to submit a new Form W-4 if their marital status or withholding allowances have changed or will change for the next year.

Introduction

This publication explains your tax responsibilities as an employer. It explains the requirements for withholding, depositing, reporting, paying, and correcting employment taxes. It explains the forms you must give to your

employees, those your employees must give to you, and those you must send to the IRS and the SSA. This guide also has tax tables you need to figure the taxes to withhold from each employee for 2018. References to “income tax” in this guide apply only to “federal” income tax. Contact your state or local tax department to determine if their rules are different.

When you pay your employees, you don't pay them all the money they earned. As their employer, you have the added responsibility of withholding taxes from their paychecks. The federal income tax and employees' share of social security and Medicare taxes that you withhold from your employees' paychecks are part of their wages that you pay to the United States Treasury instead of to your employees. Your employees trust that you pay the withheld taxes to the United States Treasury by making federal tax deposits. This is the reason that these withheld taxes are called trust fund taxes. If federal income, social security, or Medicare taxes that must be withheld aren't withheld or aren't deposited or paid to the United States Treasury, the trust fund recovery penalty may apply. See [section 11](#) for more information.

Additional employment tax information is available in Pub. 15-A. Pub. 15-A includes specialized information supplementing the basic employment tax information provided in this publication. Pub. 15-B, Employer's Tax Guide to Fringe Benefits, contains information about the employment tax treatment and valuation of various types of non-cash compensation.

Most employers must withhold (except FUTA), deposit, report, and pay the following employment taxes.

- Income tax.
- Social security tax.
- Medicare tax.
- FUTA tax.

There are exceptions to these requirements. See [section 15](#) for guidance. Railroad retirement taxes are explained in the Instructions for Form CT-1.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can send us comments from [IRS.gov/FormComments](#).

Or you can write to:

Internal Revenue Service
Tax Forms and Publications
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax forms, instructions, and publications. We can't answer tax questions sent to the above address.

Federal government employers. The information in this publication, including the rules for making federal tax deposits, applies to federal agencies.

State and local government employers. Payments to employees for services in the employ of state and local government employers are generally subject to federal income tax withholding but not FUTA tax. Most elected and appointed public officials of state or local governments are employees under common law rules. See chapter 3 of Pub. 963, Federal-State Reference Guide. In addition, wages, with certain exceptions, are subject to social security and Medicare taxes. See [section 15](#) for more information on the exceptions.

If an election worker is employed in another capacity with the same government entity, see Revenue Ruling 2000-6 on page 512 of Internal Revenue Bulletin 2000-6 at [IRS.gov/pub/irs-irbs/irb00-06.pdf](#).

You can get information on reporting and social security coverage from your local IRS office. If you have any questions about coverage under a section 218 (Social Security Act) agreement, contact the appropriate state official. To find your State Social Security Administrator, visit the National Conference of State Social Security Administrators website at [NCSSSA.org](#).

Disregarded entities and qualified subchapter S subsidiaries (QSubs). Eligible single-owner disregarded entities and QSubs are treated as separate entities for employment tax purposes. Eligible single-member entities must report and pay employment taxes on wages paid to their employees using the entities' own names and EINs. See Regulations sections 1.1361-4(a)(7) and 301.7701-2(c)(2)(iv).

COBRA premium assistance credit. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates. COBRA generally covers multiemployer health plans and health plans maintained by private-sector employers (other than churches) with 20 or more full- and part-time employees. Parallel requirements apply to these plans under the Employee Retirement Income Security Act of 1974 (ERISA). Under the Public Health Service Act, COBRA requirements apply also to health plans covering state or local government employees. Similar requirements apply under the Federal Employees Health Benefits Program and under some state laws. For the premium assistance (or subsidy) discussed below, these requirements are all referred to as COBRA requirements.

Under the American Recovery and Reinvestment Act of 2009 (ARRA), employers are allowed a credit against “payroll taxes” (referred to in this publication as “employment taxes”) for providing COBRA premium assistance to assistance-eligible individuals. For periods of COBRA continuation coverage beginning after February 16, 2009, a group health plan must treat an assistance-eligible individual as having paid the required COBRA continuation coverage premium if the individual elects COBRA coverage and pays 35% of the amount of the premium.

An assistance-eligible individual is a qualified beneficiary of an employer's group health plan who is eligible for COBRA continuation coverage during the period beginning September 1, 2008, and ending May 31, 2010, due

to the involuntary termination from employment of a covered employee during the period and elects continuation COBRA coverage. The assistance for the coverage can last up to 15 months.

The COBRA premium assistance credit was available to an employer for premiums paid on behalf of employees who were involuntarily terminated from employment between September 1, 2008, and May 31, 2010. The COBRA premium assistance credit isn't available for individuals who were involuntarily terminated after May 31, 2010. Therefore, only in rare circumstances will the credit still be available, such as instances where COBRA eligibility was delayed as a result of employer-provided health insurance coverage following termination. For more information about the credit, see Notice 2009-27, 2009-16 I.R.B. 838, available at [IRS.gov/irb/2009-16_irb/ar09.html](https://www.irs.gov/irb/2009-16_irb/ar09.html).

Administrators of the group health plans (or other entities) that provide or administer COBRA continuation coverage must provide notice to assistance-eligible individuals of the COBRA premium assistance.

The 65% of the premium not paid by the assistance-eligible individuals is reimbursed to the employer maintaining the group health plan. The reimbursement is made through a credit against the employer's employment tax liabilities. For information on how to claim the credit, see the Instructions for Form 941-X or the Instructions for Form 944-X. The credit is treated as a deposit made on the first day of the return period (quarter or year). In the case of a multiemployer plan, the credit is claimed by the plan, rather than the employer. In the case of an insured plan subject to state law continuation coverage requirements, the credit is claimed by the insurance company, rather than the employer.

Anyone claiming the credit for COBRA premium assistance payments must maintain the following information to support their claim, including the following.

- Information on the receipt of the assistance-eligible individuals' 35% share of the premium, including dates and amounts.
- In the case of an insurance plan, a copy of an invoice or other supporting statement from the insurance carrier and proof of timely payment of the full premium to the insurance carrier required under COBRA.
- In the case of a self-insured plan, proof of the premium amount and proof of the coverage provided to the assistance-eligible individuals.
- Attestation of involuntary termination, including the date of the involuntary termination for each covered employee whose involuntary termination is the basis for eligibility for the subsidy.
- Proof of each assistance-eligible individual's eligibility for COBRA coverage and the election of COBRA coverage.
- A record of the SSNs of all covered employees, the amount of the subsidy reimbursed with respect to each covered employee, and whether the subsidy was for one individual or two or more individuals.

For more information, go to [IRS.gov/COBRACredit](https://www.irs.gov/COBRACredit).

1. Employer Identification Number (EIN)

If you're required to report employment taxes or give tax statements to employees or annuitants, you need an EIN.

The EIN is a nine-digit number the IRS issues. The digits are arranged as follows: 00-0000000. It is used to identify the tax accounts of employers and certain others who have no employees. Use your EIN on all of the items you send to the IRS and the SSA. For more information, see Pub. 1635.

If you don't have an EIN, you may apply for one online by visiting the IRS website at [IRS.gov/EIN](https://www.irs.gov/EIN). You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. Employers outside of the United States may also apply for an EIN by calling 267-941-1099 (toll call). Don't use an SSN in place of an EIN.

You should have only one EIN. If you have more than one and aren't sure which one to use, call 1-800-829-4933 or 1-800-829-4059 (TDD/TTY for persons who are deaf, hard of hearing, or have a speech disability). Give the numbers you have, the name and address to which each was assigned, and the address of your main place of business. The IRS will tell you which number to use. For more information, see Pub. 1635.

If you took over another employer's business (see [Successor employer](#) in section 9), don't use that employer's EIN. If you've applied for an EIN but don't have your EIN by the time a return is due, file a paper return and write "Applied For" and the date you applied for it in the space shown for the number.

2. Who Are Employees?

Generally, employees are defined either under common law or under statutes for certain situations. See Pub. 15-A for details on statutory employees and nonemployees.

Employee status under common law. Generally, a worker who performs services for you is your employee if you have the right to control what will be done and how it will be done. This is so even when you give the employee freedom of action. What matters is that you have the right to control the details of how the services are performed. See Pub. 15-A for more information on how to determine whether an individual providing services is an independent contractor or an employee.

Generally, people in business for themselves aren't employees. For example, doctors, lawyers, veterinarians, and others in an independent trade in which they offer their services to the public are usually not employees. However, if the business is incorporated, corporate officers who work in the business are employees of the corporation.

If an employer-employee relationship exists, it doesn't matter what it is called. The employee may be called an

agent or independent contractor. It also doesn't matter how payments are measured or paid, what they're called, or if the employee works full or part time.

Statutory employees. If someone who works for you isn't an employee under the common law rules discussed earlier, don't withhold federal income tax from his or her pay, unless backup withholding applies. Although the following persons may not be common law employees, they're considered employees by statute for social security, Medicare, and FUTA tax purposes under certain conditions.

- An agent (or commission) driver who delivers food, beverages (other than milk), laundry, or dry cleaning for someone else.
- A full-time life insurance salesperson who sells primarily for one company.
- A homemaker who works by guidelines of the person for whom the work is done, with materials furnished by and returned to that person or to someone that person designates.
- A traveling or city salesperson (other than an agent-driver or commission-driver) who works full time (except for sideline sales activities) for one firm or person getting orders from customers. The orders must be for merchandise for resale or supplies for use in the customer's business. The customers must be retailers, wholesalers, contractors, or operators of hotels, restaurants, or other businesses dealing with food or lodging.

Statutory nonemployees. Direct sellers, qualified real estate agents, and certain companion sitters are, by law, considered nonemployees. They're generally treated as self-employed for all federal tax purposes, including income and employment taxes.

H-2A agricultural workers. On Form W-2, don't check box 13 (Statutory employee), as H-2A workers aren't statutory employees.

Treating employees as nonemployees. You'll generally be liable for social security and Medicare taxes and withheld income tax if you don't deduct and withhold these taxes because you treated an employee as a nonemployee. You may be able to calculate your liability using special IRC section 3509 rates for the employee share of social security and Medicare taxes and the federal income tax withholding. The applicable rates depend on whether you filed required Forms 1099. You can't recover the employee share of social security tax, Medicare tax, or income tax withholding from the employee if the tax is paid under IRC section 3509. You're liable for the income tax withholding regardless of whether the employee paid income tax on the wages. You continue to owe the full employer share of social security and Medicare taxes. The employee remains liable for the employee share of social security and Medicare taxes. See IRC section 3509 for details. Also see the Instructions for Form 941-X.

IRC section 3509 rates aren't available if you intentionally disregard the requirement to withhold taxes from the employee or if you withheld income taxes but not social security or Medicare taxes. IRC section 3509 isn't available for reclassifying statutory employees. See [Statutory employees](#) above.

If the employer issued required information returns, the IRC section 3509 rates are:

- For social security taxes; employer rate of 6.2% plus 20% of the employee rate of 6.2% for a total rate of 7.44% of wages.
- For Medicare taxes; employer rate of 1.45% plus 20% of the employee rate of 1.45%, for a total rate of 1.74% of wages.
- For Additional Medicare Tax; 0.18% (20% of the employee rate of 0.9%) of wages subject to Additional Medicare Tax.
- For income tax withholding, the rate is 1.5% of wages.

If the employer didn't issue required information returns, the IRC section 3509 rates are:

- For social security taxes; employer rate of 6.2% plus 40% of the employee rate of 6.2% for a total rate of 8.68% of wages.
- For Medicare taxes; employer rate of 1.45% plus 40% of the employee rate of 1.45%, for a total rate of 2.03% of wages.
- For Additional Medicare Tax; 0.36% (40% of the employee rate of 0.9%) of wages subject to Additional Medicare Tax.
- For income tax withholding, the rate is 3.0% of wages.

Relief provisions. If you have a reasonable basis for not treating a worker as an employee, you may be relieved from having to pay employment taxes for that worker. To get this relief, you must file all required federal tax returns, including information returns, on a basis consistent with your treatment of the worker. You (or your predecessor) must not have treated any worker holding a substantially similar position as an employee for any periods beginning after 1977. See Pub. 1976, Do You Qualify for Relief Under Section 530.

IRS help. If you want the IRS to determine whether a worker is an employee, file Form SS-8.

Voluntary Classification Settlement Program (VCSP). Employers who are currently treating their workers (or a class or group of workers) as independent contractors or other nonemployees and want to voluntarily reclassify their workers as employees for future tax periods may be eligible to participate in the VCSP if certain requirements are met. File Form 8952 to apply for the VCSP. For more information, go to [IRS.gov/VCSP](https://www.irs.gov/VCSP).

Business Owned and Operated by Spouses

If you and your spouse jointly own and operate a business and share in the profits and losses, you may be partners in a partnership, whether or not you have a formal partnership agreement. See Pub. 541 for more details. The partnership is considered the employer of any employees, and is liable for any employment taxes due on wages paid to its employees.

Exception—Qualified joint venture. For tax years beginning after December 31, 2006, the Small Business and Work Opportunity Tax Act of 2007 (Public Law 110-28) provides that a “qualified joint venture,” whose only members are spouses filing a joint income tax return, can elect not to be treated as a partnership for federal tax purposes. A qualified joint venture conducts a trade or business where:

- The only members of the joint venture are spouses who file a joint income tax return,
- Both spouses materially participate (see *Material participation* in the Instructions for Schedule C (Form 1040), line G) in the trade or business (mere joint ownership of property isn't enough),
- Both spouses elect to not be treated as a partnership, and
- The business is co-owned by both spouses and isn't held in the name of a state law entity such as a partnership or limited liability company (LLC).

To make the election, all items of income, gain, loss, deduction, and credit must be divided between the spouses, in accordance with each spouse's interest in the venture, and reported on separate Schedules C or F as sole proprietors. Each spouse must also file a separate Schedule SE to pay self-employment taxes, as applicable.

Spouses using the qualified joint venture rules are treated as sole proprietors for federal tax purposes and generally don't need an EIN. If employment taxes are owed by the qualified joint venture, either spouse may report and pay the employment taxes due on the wages paid to the employees using the EIN of that spouse's sole proprietorship. Generally, filing as a qualified joint venture won't increase the spouses' total tax owed on the joint income tax return. However, it gives each spouse credit for social security earnings on which retirement benefits are based and for Medicare coverage without filing a partnership return.

Note. If your spouse is your employee, not your partner, see [One spouse employed by another](#) in section 3.

For more information on qualified joint ventures, go to [IRS.gov/QJV](https://www.irs.gov/QJV).

Exception—Community income. If you and your spouse wholly own an unincorporated business as community property under the community property laws of a state, foreign country, or U.S. possession, you can treat the business either as a sole proprietorship (of the spouse who carried on the business) or a partnership. You may

still make an election to be taxed as a qualified joint venture instead of a partnership. See [Exception—Qualified joint venture](#) above.

3. Family Employees

Child employed by parents. Payments for the services of a child under age 18 who works for his or her parent in a trade or business aren't subject to social security and Medicare taxes if the trade or business is a sole proprietorship or a partnership in which each partner is a parent of the child. If these payments are for work other than in a trade or business, such as domestic work in the parent's private home, they're not subject to social security and Medicare taxes until the child reaches age 21. However, see [Covered services of a child or spouse](#), later. Payments for the services of a child under age 21 who works for his or her parent, whether or not in a trade or business, aren't subject to FUTA tax. Payments for the services of a child of any age who works for his or her parent are generally subject to income tax withholding unless the payments are for domestic work in the parent's home, or unless the payments are for work other than in a trade or business and are less than \$50 in the quarter or the child isn't regularly employed to do such work.

One spouse employed by another. The wages for the services of an individual who works for his or her spouse in a trade or business are subject to income tax withholding and social security and Medicare taxes, but not to FUTA tax. However, the payments for services of one spouse employed by another in other than a trade or business, such as domestic service in a private home, aren't subject to social security, Medicare, and FUTA taxes.

Covered services of a child or spouse. The wages for the services of a child or spouse are subject to income tax withholding as well as social security, Medicare, and FUTA taxes if he or she works for:

- A corporation, even if it is controlled by the child's parent or the individual's spouse;
- A partnership, even if the child's parent is a partner, unless each partner is a parent of the child;
- A partnership, even if the individual's spouse is a partner; or
- An estate, even if it is the estate of a deceased parent.

Parent employed by son or daughter. When the employer is a son or daughter employing his or her parent the following rules apply.

- Payments for the services of a parent in the son's or daughter's (the employer's) trade or business are subject to income tax withholding and social security and Medicare taxes.
- Payments for the services of a parent not in the son's or daughter's (the employer's) trade or business are generally not subject to social security and Medicare taxes.



Social security and Medicare taxes do apply to payments made to a parent for domestic services if all of the following apply:

- *The parent is employed by his or her son or daughter;*
- *The son or daughter (the employer) has a child or stepchild living in the home;*
- *The son or daughter (the employer) is a widow or widower, divorced, or living with a spouse who, because of a mental or physical condition, can't care for the child or stepchild for at least 4 continuous weeks in a calendar quarter; and*
- *The child or stepchild is either under age 18 or requires the personal care of an adult for at least 4 continuous weeks in a calendar quarter due to a mental or physical condition.*

Payments made to a parent employed by his or her child aren't subject to FUTA tax, regardless of the type of services provided.

4. Employee's Social Security Number (SSN)

You're required to get each employee's name and SSN and to enter them on Form W-2. This requirement also applies to resident and nonresident alien employees. You should ask your employee to show you his or her social security card. The employee may show the card if it is available.



Don't accept a social security card that says "Not valid for employment." A social security number issued with this legend doesn't permit employment.

You may, but aren't required to, photocopy the social security card if the employee provides it. If you don't provide the correct employee name and SSN on Form W-2, you may owe a penalty unless you have reasonable cause. See Pub. 1586, Reasonable Cause Regulations & Requirements for Missing and Incorrect Name/TINs, for information on the requirement to solicit the employee's SSN.

Applying for a social security card. Any employee who is legally eligible to work in the United States and doesn't have a social security card can get one by completing Form SS-5, Application for a Social Security Card, and submitting the necessary documentation. You can get Form SS-5 from the SSA website at [SSA.gov/forms/ss-5.pdf](https://www.ssa.gov/forms/ss-5.pdf), at SSA offices, or by calling 1-800-772-1213 or 1-800-325-0778 (TTY). The employee must complete and sign Form SS-5; it can't be filed by the employer. You may be asked to supply a letter to accompany Form SS-5 if the employee has exceeded his or her yearly or lifetime limit for the number of replacement cards allowed.

Applying for an SSN. If you file Form W-2 on paper and your employee applied for an SSN but doesn't have one

when you must file Form W-2, enter "Applied For" on the form. If you're filing electronically, enter all zeros (000-00-0000 if creating forms online or 000000000 if uploading a file) in the SSN field. When the employee receives the SSN, file Copy A of Form W-2c, Corrected Wage and Tax Statement, with the SSA to show the employee's SSN. Furnish copies B, C, and 2 of Form W-2c to the employee. Up to 25 Forms W-2c for each Form W-3c, Transmittal of Corrected Wage and Tax Statements, may now be filed per session over the Internet, with no limit on the number of sessions. For more information, visit the SSA's Employer W-2 Filing Instructions & Information webpage at [SSA.gov/employer](https://www.ssa.gov/employer). Advise your employee to correct the SSN on his or her original Form W-2.

Correctly record the employee's name and SSN. Record the name and SSN of each employee as they're shown on the employee's social security card. If the employee's name isn't correct as shown on the card (for example, because of marriage or divorce), the employee should request an updated card from the SSA. Continue to report the employee's wages under the old name until the employee shows you the updated social security card with the corrected name.

If the SSA issues the employee an updated card after a name change, or a new card with a different SSN after a change in alien work status, file a Form W-2c to correct the name/SSN reported for the most recently filed Form W-2. It isn't necessary to correct other years if the previous name and number were used for years before the most recent Form W-2.

IRS individual taxpayer identification numbers (ITINs) for aliens. Don't accept an ITIN in place of an SSN for employee identification or for work. An ITIN is only available to resident and nonresident aliens who aren't eligible for U.S. employment and need identification for other tax purposes. You can identify an ITIN because it is a nine-digit number, formatted like an SSN, that starts with the number "9" and has a range of numbers from "50-65," "70-88," "90-92," and "94-99" for the fourth and fifth digits (for example, 9NN-7N-NNNN).



An individual with an ITIN who later becomes eligible to work in the United States must obtain an SSN. If the individual is currently eligible to work in the United States, instruct the individual to apply for an SSN and follow the instructions under [Applying for an SSN](#), earlier. Don't use an ITIN in place of an SSN on Form W-2.

Verification of SSNs. Employers and authorized reporting agents can use the Social Security Number Verification Service (SSNVS) to instantly verify up to 10 names and SSNs (per screen) at a time, or submit an electronic file of up to 250,000 names and SSNs and usually receive the results the next business day. Go to [SSA.gov/employer/ssnv.htm](https://www.ssa.gov/employer/ssnv.htm) for more information.

Registering for SSNVS. You must register online and receive authorization from your employer to use SSNVS. To register, visit the SSA's website at [SSA.gov/bsa](https://www.ssa.gov/bsa) and

click on the *Register* link under *Business Services Online*. Follow the registration instructions to obtain a user identification (ID) and password. You'll need to provide the following information about yourself and your company.

- Name.
- SSN.
- Date of birth.
- Type of employer.
- EIN.
- Company name, address, and telephone number.
- Email address.

When you have completed the online registration process, the SSA will mail a one-time activation code to your employer. You must enter the activation code online to use SSNVS.

5. Wages and Other Compensation

Wages subject to federal employment taxes generally include all pay you give to an employee for services performed. The pay may be in cash or in other forms. It includes salaries, vacation allowances, bonuses, commissions, and fringe benefits. It doesn't matter how you measure or make the payments. Amounts an employer pays as a bonus for signing or ratifying a contract in connection with the establishment of an employer-employee relationship and an amount paid to an employee for cancellation of an employment contract and relinquishment of contract rights are wages subject to social security, Medicare, and FUTA taxes and income tax withholding. Also, compensation paid to a former employee for services performed while still employed is wages subject to employment taxes.

More information. See [section 6](#) for a discussion of tips and [section 7](#) for a discussion of supplemental wages. Also, see [section 15](#) for exceptions to the general rules for wages. Pub. 15-A provides additional information on wages, including nonqualified deferred compensation, and other compensation. Pub. 15-B provides information on other forms of compensation, including:

- Accident and health benefits,
- Achievement awards,
- Adoption assistance,
- Athletic facilities,
- De minimis (minimal) benefits,
- Dependent care assistance,
- Educational assistance,
- Employee discounts,
- Employee stock options,
- Employer-provided cell phones,

- Group-term life insurance coverage,
- Health savings accounts,
- Lodging on your business premises,
- Meals,
- No-additional-cost services,
- Retirement planning services,
- Transportation (commuting) benefits,
- Tuition reduction, and
- Working condition benefits.

Employee business expense reimbursements. A reimbursement or allowance arrangement is a system by which you pay the advances, reimbursements, and charges for your employees' business expenses. How you report a reimbursement or allowance amount depends on whether you have an accountable or a nonaccountable plan. If a single payment includes both wages and an expense reimbursement, you must specify the amount of the reimbursement.

These rules apply to all ordinary and necessary employee business expenses that would otherwise qualify for a deduction by the employee.

Accountable plan. To be an accountable plan, your reimbursement or allowance arrangement must require your employees to meet all three of the following rules.

1. They must have paid or incurred deductible expenses while performing services as your employees. The reimbursement or advance must be payment for the expenses and must not be an amount that would have otherwise been paid to the employee as wages.
2. They must substantiate these expenses to you within a reasonable period of time.
3. They must return any amounts in excess of substantiated expenses within a reasonable period of time.

Amounts paid under an accountable plan aren't wages and aren't subject to income, social security, Medicare, and FUTA taxes.

If the expenses covered by this arrangement aren't substantiated (or amounts in excess of substantiated expenses aren't returned within a reasonable period of time), the amount paid under the arrangement in excess of the substantiated expenses is treated as paid under a nonaccountable plan. This amount is subject to income, social security, Medicare, and FUTA taxes for the first payroll period following the end of the reasonable period of time.

A reasonable period of time depends on the facts and circumstances. Generally, it is considered reasonable if your employees receive their advance within 30 days of the time they incur the expenses, adequately account for the expenses within 60 days after the expenses were paid or incurred, and return any amounts in excess of expenses within 120 days after the expenses were paid or incurred. Also, it is considered reasonable if you give your employees a periodic statement (at least quarterly) that asks

them to either return or adequately account for outstanding amounts and they do so within 120 days.

Nonaccountable plan. Payments to your employee for travel and other necessary expenses of your business under a nonaccountable plan are wages and are treated as supplemental wages and subject to income, social security, Medicare, and FUTA taxes. Your payments are treated as paid under a nonaccountable plan if:

- Your employee isn't required to or doesn't substantiate timely those expenses to you with receipts or other documentation,
- You advance an amount to your employee for business expenses and your employee isn't required to or doesn't return timely any amount he or she doesn't use for business expenses,
- You advance or pay an amount to your employee regardless of whether you reasonably expect the employee to have business expenses related to your business, or
- You pay an amount as a reimbursement you would have otherwise paid as wages.

See [section 7](#) for more information on supplemental wages.

Per diem or other fixed allowance. You may reimburse your employees by travel days, miles, or some other fixed allowance under the applicable revenue procedure. In these cases, your employee is considered to have accounted to you if your reimbursement doesn't exceed rates established by the Federal Government. The 2017 standard mileage rate for auto expenses was 53.5 cents per mile. The rate for 2018 is 54.5 cents per mile.

The government per diem rates for meals and lodging in the continental United States can be found by visiting the U.S. General Services Administration website at [GSA.gov](https://www.gsa.gov) and entering "per diem rates" in the search box. Other than the amount of these expenses, your employees' business expenses must be substantiated (for example, the business purpose of the travel or the number of business miles driven). For information on substantiation methods, see Pub. 463.

If the per diem or allowance paid exceeds the amounts substantiated, you must report the excess amount as wages. This excess amount is subject to income tax withholding and payment of social security, Medicare, and FUTA taxes. Show the amount equal to the substantiated amount (for example, the nontaxable portion) in box 12 of Form W-2 using code "L."

Wages not paid in money. If in the course of your trade or business you pay your employees in a medium that is neither cash nor a readily negotiable instrument, such as a check, you're said to pay them "in kind." Payments in kind may be in the form of goods, lodging, food, clothing, or services. Generally, the fair market value of such payments at the time they're provided is subject to federal income tax withholding and social security, Medicare, and FUTA taxes.

However, noncash payments for household work, agricultural labor, and service not in the employer's trade or business are exempt from social security, Medicare, and FUTA taxes. Withhold income tax on these payments only if you and the employee agree to do so. Nonetheless, noncash payments for agricultural labor, such as commodity wages, are treated as cash payments subject to employment taxes if the substance of the transaction is a cash payment.

Meals and lodging. The value of meals isn't taxable income and isn't subject to income tax withholding and social security, Medicare, and FUTA taxes if the meals are furnished for the employer's convenience and on the employer's premises. The value of lodging isn't subject to income tax withholding and social security, Medicare, and FUTA taxes if the lodging is furnished for the employer's convenience, on the employer's premises, and as a condition of employment.

"For the convenience of the employer" means you have a substantial business reason for providing the meals and lodging other than to provide additional compensation to the employee. For example, meals you provide at the place of work so that an employee is available for emergencies during his or her lunch period are generally considered to be for your convenience.

However, whether meals or lodging are provided for the convenience of the employer depends on all of the facts and circumstances. A written statement that the meals or lodging are for your convenience isn't sufficient.

50% test. If over 50% of the employees who are provided meals on an employer's business premises receive these meals for the convenience of the employer, all meals provided on the premises are treated as furnished for the convenience of the employer. If this 50% test is met, the value of the meals is excludable from income for all employees and isn't subject to federal income tax withholding or employment taxes. For more information, see Pub. 15-B.

Health insurance plans. If you pay the cost of an accident or health insurance plan for your employees, including an employee's spouse and dependents, your payments aren't wages and aren't subject to social security, Medicare, and FUTA taxes, or federal income tax withholding. Generally, this exclusion also applies to qualified long-term care insurance contracts. However, for income tax withholding, the value of health insurance benefits must be included in the wages of S corporation employees who own more than 2% of the S corporation (2% shareholders). For social security, Medicare, and FUTA taxes, the health insurance benefits are excluded from the wages only for employees and their dependents or for a class or classes of employees and their dependents. See Announcement 92-16 for more information. You can find Announcement 92-16 on page 53 of Internal Revenue Bulletin 1992-5.

Health savings accounts and medical savings accounts. Your contributions to an employee's health savings account (HSA) or Archer medical savings account

(MSA) aren't subject to social security, Medicare, or FUTA taxes, or federal income tax withholding if it is reasonable to believe at the time of payment of the contributions they'll be excludable from the income of the employee. To the extent it isn't reasonable to believe they'll be excludable, your contributions are subject to these taxes. Employee contributions to their HSAs or MSAs through a payroll deduction plan must be included in wages and are subject to social security, Medicare, and FUTA taxes and income tax withholding. However, HSA contributions made under a salary reduction arrangement in a section 125 cafeteria plan aren't wages and aren't subject to employment taxes or withholding. For more information, see the Instructions for Form 8889.

Medical care reimbursements. Generally, medical care reimbursements paid for an employee under an employer's self-insured medical reimbursement plan aren't wages and aren't subject to social security, Medicare, and FUTA taxes, or income tax withholding. See Pub. 15-B for an exception for highly compensated employees.

Differential wage payments. Differential wage payments are any payments made by an employer to an individual for a period during which the individual is performing service in the uniformed services while on active duty for a period of more than 30 days and represent all or a portion of the wages the individual would have received from the employer if the individual were performing services for the employer.

Differential wage payments are wages for income tax withholding, but aren't subject to social security, Medicare, or FUTA taxes. Employers should report differential wage payments in box 1 of Form W-2. For more information about the tax treatment of differential wage payments, visit IRS.gov and enter "employees in a combat zone" in the search box.

Fringe benefits. You generally must include fringe benefits in an employee's gross income (but see [Nontaxable fringe benefits](#) next). The benefits are subject to income tax withholding and employment taxes. Fringe benefits include cars you provide, flights on aircraft you provide, free or discounted commercial flights, vacations, discounts on property or services, memberships in country clubs or other social clubs, and tickets to entertainment or sporting events. In general, the amount you must include is the amount by which the fair market value of the benefit is more than the sum of what the employee paid for it plus any amount the law excludes. There are other special rules you and your employees may use to value certain fringe benefits. See Pub. 15-B for more information.

Nontaxable fringe benefits. Some fringe benefits aren't taxable (or are minimally taxable) if certain conditions are met. See Pub. 15-B for details. The following are some examples of nontaxable fringe benefits.

- Services provided to your employees at no additional cost to you.
- Qualified employee discounts.

- Working condition fringes that are property or services that would be allowable as a business expense or depreciation expense deduction to the employee if he or she had paid for them. Examples include a company car for business use and subscriptions to business magazines.
- Certain minimal value fringes (including an occasional cab ride when an employee must work overtime and meals you provide at eating places you run for your employees if the meals aren't furnished at below cost).
- Qualified transportation fringes subject to specified conditions and dollar limitations (including transportation in a commuter highway vehicle, any transit pass, and qualified parking).
- The use of on-premises athletic facilities operated by you, if substantially all of the use is by employees, their spouses, and their dependent children.
- Qualified tuition reduction an educational organization provides to its employees for education. For more information, see Pub. 970.
- Employer-provided cell phones provided primarily for a noncompensatory business reason.

However, don't exclude the following fringe benefits from the income of highly compensated employees unless the benefit is available to other employees on a nondiscriminatory basis.

- No-additional-cost services.
- Qualified employee discounts.
- Meals provided at an employer operated eating facility.
- Reduced tuition for education.

For more information, including the definition of a highly compensated employee, see Pub. 15-B.

When fringe benefits are treated as paid. You may choose to treat certain noncash fringe benefits as paid by the pay period, by the quarter, or on any other basis you choose as long as you treat the benefits as paid at least once a year. You don't have to make a formal choice of payment dates or notify the IRS of the dates you choose. You don't have to make this choice for all employees. You may change methods as often as you like, as long as you treat all benefits provided in a calendar year as paid by December 31 of the calendar year. See Pub. 15-B for more information, including a discussion of the special accounting rule for fringe benefits provided during November and December.

Valuation of fringe benefits. Generally, you must determine the value of fringe benefits no later than January 31 of the next year. Before January 31, you may reasonably estimate the value of the fringe benefits for purposes of withholding and depositing on time.

Withholding on fringe benefits. You may add the value of fringe benefits to regular wages for a payroll period and figure withholding taxes on the total, or you may withhold federal income tax on the value of the fringe

benefits at the optional flat 22% supplemental wage rate. However, see [Withholding on supplemental wages when an employee receives more than \\$1 million of supplemental wages during the calendar year](#) in section 7.

You may choose not to withhold income tax on the value of an employee's personal use of a vehicle you provide. You must, however, withhold social security and Medicare taxes on the use of the vehicle. See Pub. 15-B for more information on this election.

Depositing taxes on fringe benefits. Once you choose when fringe benefits are paid, you must deposit taxes in the same deposit period you treat the fringe benefits as paid. To avoid a penalty, deposit the taxes following the general deposit rules for that deposit period.

If you determine by January 31 you overestimated the value of a fringe benefit at the time you withheld and deposited for it, you may claim a refund for the overpayment or have it applied to your next employment tax return. See [Valuation of fringe benefits](#), earlier. If you underestimated the value and deposited too little, you may be subject to a failure-to-deposit (FTD) penalty. See [section 11](#) for information on deposit penalties.

If you deposited the required amount of taxes but withheld a lesser amount from the employee, you can recover from the employee the social security, Medicare, or income taxes you deposited on his or her behalf, and included in the employee's Form W-2. However, you must recover the income taxes before April 1 of the following year.

Sick pay. In general, sick pay is any amount you pay under a plan to an employee who is unable to work because of sickness or injury. These amounts are sometimes paid by a third party, such as an insurance company or an employees' trust. In either case, these payments are subject to social security, Medicare, and FUTA taxes. These taxes don't apply to sick pay paid more than 6 calendar months after the last calendar month in which the employee worked for the employer. The payments are always subject to federal income tax. See Pub. 15-A for more information.

Identity protection services. The value of identity protection services provided by an employer to an employee isn't included in an employee's gross income and doesn't need to be reported on an information return (such as Form W-2) filed for employees. This includes identity protection services provided before a data breach occurs. This exception doesn't apply to cash received instead of identity protection services or to proceeds received under an identity theft insurance policy. For more information, see Announcement 2015-22, 2015-35 I.R.B. 288, available at [IRS.gov/irb/2015-35_IRB/ar12.html](#) and Announcement 2016-02, 2016-3 I.R.B. 283, available at [IRS.gov/irb/2016-03_IRB/ar11.html](#).

6. Tips

Tips your employee receives from customers are generally subject to withholding. Your employee must report

cash tips to you by the 10th of the month after the month the tips are received. The report should include tips you paid over to the employee for charge customers, tips the employee received directly from customers, and tips received from other employees under any tip-sharing arrangement. Both directly and indirectly tipped employees must report tips to you. No report is required for months when tips are less than \$20. Your employee reports the tips on Form 4070 or on a similar statement. The statement must be signed by the employee and must include:

- The employee's name, address, and SSN,
- Your name and address,
- The month and year (or the beginning and ending dates, if the statement is for a period of less than 1 calendar month) the report covers, and
- The total of tips received during the month or period.

Both Forms 4070 and 4070-A, Employee's Daily Record of Tips, are included in Pub. 1244, Employee's Daily Record of Tips and Report to Employer.



You're permitted to establish a system for electronic tip reporting by employees. See Regulations section 31.6053-1(d).

Collecting taxes on tips. You must collect income tax, employee social security tax, and employee Medicare tax on the employee's tips. The withholding rules for withholding an employee's share of Medicare tax on tips also apply to withholding the Additional Medicare Tax once wages and tips exceed \$200,000 in the calendar year.

You can collect these taxes from the employee's wages or from other funds he or she makes available. See [Tips treated as supplemental wages](#) in section 7 for more information. Stop collecting the employee social security tax when his or her wages and tips for tax year 2018 reach \$128,400; collect the income and employee Medicare taxes for the whole year on all wages and tips. You're responsible for the employer social security tax on wages and tips until the wages (including tips) reach the limit. You're responsible for the employer Medicare tax for the whole year on all wages and tips. File Form 941 or Form 944 to report withholding and employment taxes on tips.

Ordering rule. If, by the 10th of the month after the month for which you received an employee's report on tips, you don't have enough employee funds available to deduct the employee tax, you no longer have to collect it. If there aren't enough funds available, withhold taxes in the following order.

1. Withhold on regular wages and other compensation.
2. Withhold social security and Medicare taxes on tips.
3. Withhold income tax on tips.

Reporting tips. Report tips and any collected and uncollected social security and Medicare taxes on Form W-2 and on Form 941, lines 5b, 5c, and, if applicable, 5d (Form 944, lines 4b, 4c, and, if applicable, 4d). Report an adjustment on Form 941, line 9 (Form 944, line 6), for the uncollected social security and Medicare taxes. Enter the

amount of uncollected social security tax and Medicare tax on Form W-2, box 12, with codes "A" and "B." Don't include any uncollected Additional Medicare Tax in box 12 of Form W-2. For additional information on reporting tips, see [section 13](#) and the General Instructions for Forms W-2 and W-3.

Revenue Ruling 2012-18 provides guidance for employers regarding social security and Medicare taxes imposed on tips, including information on the reporting of the employer share of social security and Medicare taxes under section 3121(q), the difference between tips and service charges, and the section 45B credit. See Revenue Ruling 2012-18, 2012-26 I.R.B. 1032, available at [IRS.gov/irb/2012-26 IRB/ar07.html](#).

FUTA tax on tips. If an employee reports to you in writing \$20 or more of tips in a month, the tips are also subject to FUTA tax.

Allocated tips. If you operate a large food or beverage establishment, you must report allocated tips under certain circumstances. However, don't withhold income, social security, or Medicare taxes on allocated tips.

A large food or beverage establishment is one that provides food or beverages for consumption on the premises, where tipping is customary, and where there were normally more than 10 employees on a typical business day during the preceding year.

The tips may be allocated by one of three methods—hours worked, gross receipts, or good faith agreement. For information about these allocation methods, including the requirement to file Forms 8027 electronically if 250 or more forms are filed, see the Instructions for Form 8027. For information on filing Form 8027 electronically with the IRS, see Pub. 1239.

Tip Rate Determination and Education Program. Employers may participate in the Tip Rate Determination and Education Program. The program primarily consists of two voluntary agreements developed to improve tip income reporting by helping taxpayers to understand and meet their tip reporting responsibilities. The two agreements are the Tip Rate Determination Agreement (TRDA) and the Tip Reporting Alternative Commitment (TRAC). A tip agreement, the Gaming Industry Tip Compliance Agreement (GITCA), is available for the gaming (casino) industry. To get more information about TRDA and TRAC agreements, see Pub. 3144. Additionally, visit IRS.gov and enter "MSU tips" in the search box to get more information about GITCA, TRDA, or TRAC agreements.

7. Supplemental Wages

Supplemental wages are wage payments to an employee that aren't regular wages. They include, but aren't limited to, bonuses, commissions, overtime pay, payments for accumulated sick leave, severance pay, awards, prizes, back pay, retroactive pay increases, and payments for nondeductible moving expenses. Other payments subject to the supplemental wage rules include taxable fringe

benefits and expense allowances paid under a nonaccountable plan. How you withhold on supplemental wages depends on whether the supplemental payment is identified as a separate payment from regular wages. See Regulations section 31.3402(g)-1 for additional guidance for wages paid after January 1, 2007. Also see Revenue Ruling 2008-29, 2008-24 I.R.B. 1149, available at [IRS.gov/irb/2008-24 IRB/ar08.html](#).

Withholding on supplemental wages when an employee receives more than \$1 million of supplemental wages from you during the calendar year. Special rules apply to the extent supplemental wages paid to any one employee during the calendar year exceed \$1 million. If a supplemental wage payment, together with other supplemental wage payments made to the employee during the calendar year, exceeds \$1 million, the excess is subject to withholding at 37% (or the highest rate of income tax for the year). Withhold using the 37% rate without regard to the employee's Form W-4. In determining supplemental wages paid to the employee during the year, include payments from all businesses under common control. For more information, see Treasury Decision 9276, 2006-37 I.R.B. 423, available at [IRS.gov/irb/2006-37 IRB/ar09.html](#).

Withholding on supplemental wage payments to an employee who doesn't receive \$1 million of supplemental wages during the calendar year. If the supplemental wages paid to the employee during the calendar year are less than or equal to \$1 million, the following rules apply in determining the amount of income tax to be withheld.

Supplemental wages combined with regular wages. If you pay supplemental wages with regular wages but don't specify the amount of each, withhold federal income tax as if the total were a single payment for a regular payroll period.

Supplemental wages identified separately from regular wages. If you pay supplemental wages separately (or combine them in a single payment and specify the amount of each), the federal income tax withholding method depends partly on whether you withhold income tax from your employee's regular wages.

1. If you withheld income tax from an employee's regular wages in the current or immediately preceding calendar year, you can use one of the following methods for the supplemental wages.
 - a. Withhold a flat 22% (no other percentage allowed).
 - b. If the supplemental wages are paid concurrently with regular wages, add the supplemental wages to the concurrently paid regular wages. If there are no concurrently paid regular wages, add the supplemental wages to, alternatively, either the regular wages paid or to be paid for the current payroll period or the regular wages paid for the preceding payroll period. Figure the income tax withholding

as if the total of the regular wages and supplemental wages is a single payment. Subtract the tax already withheld or to be withheld from the regular wages. Withhold the remaining tax from the supplemental wages. If there were other payments of supplemental wages paid during the payroll period made before the current payment of supplemental wages, aggregate all the payments of supplemental wages paid during the payroll period with the regular wages paid during the payroll period, calculate the tax on the total, subtract the tax already withheld from the regular wages and the previous supplemental wage payments, and withhold the remaining tax.

2. If you didn't withhold income tax from the employee's regular wages in the current or immediately preceding calendar year, use method 1-b. This would occur, for example, when the value of the employee's withholding allowances claimed on Form W-4 is more than the wages.

Regardless of the method you use to withhold income tax on supplemental wages, they're subject to social security, Medicare, and FUTA taxes.

Example 1. You pay John Peters a base salary on the 1st of each month. He is single and claims one withholding allowance. In January he is paid \$1,000. Using the wage bracket tables, you withhold \$33 from this amount. In February, he receives salary of \$1,000 plus a commission of \$2,000, which you combine with regular wages and don't separately identify. You figure the withholding based on the total of \$3,000. The correct withholding from the tables is \$264.

Example 2. You pay Sharon Warren a base salary on the 1st of each month. She is single and claims one allowance. Her May 1 pay is \$2,000. Using the wage bracket tables, you withhold \$144. On May 15 she receives a bonus of \$1,000. Electing to use supplemental wage withholding method 1-b, you:

1. Add the bonus amount to the amount of wages from the most recent base salary pay date (May 1) ($\$2,000 + \$1,000 = \$3,000$).
2. Determine the amount of withholding on the combined \$3,000 amount to be \$264 using the wage bracket tables.
3. Subtract the amount withheld from wages on the most recent base salary pay date (May 1) from the combined withholding amount ($\$264 - \$144 = \$120$).
4. Withhold \$120 from the bonus payment.

Example 3. The facts are the same as in Example 2, except you elect to use the flat rate method of withholding on the bonus. You withhold 22% of \$1,000, or \$220, from Sharon's bonus payment.

Example 4. The facts are the same as in Example 2, except you elect to pay Sharon a second bonus of \$2,000

on May 29. Using supplemental wage withholding method 1-b, you:

1. Add the first and second bonus amounts to the amount of wages from the most recent base salary pay date (May 1) ($\$2,000 + \$1,000 + \$2,000 = \$5,000$).
2. Determine the amount of withholding on the combined \$5,000 amount to be \$614 using the wage bracket tables.
3. Subtract the amounts withheld from wages on the most recent base salary pay date (May 1) and the amounts withheld from the first bonus payment from the combined withholding amount ($\$614 - \$144 - \$120 = \350).
4. Withhold \$350 from the second bonus payment.

Tips treated as supplemental wages. Withhold income tax on tips from wages earned by the employee or from other funds the employee makes available. If an employee receives regular wages and reports tips, figure income tax withholding as if the tips were supplemental wages. If you haven't withheld income tax from the regular wages, add the tips to the regular wages. Then withhold income tax on the total. If you withheld income tax from the regular wages, you can withhold on the tips by method 1-a or 1-b discussed earlier in this section under [Supplemental wages identified separately from regular wages](#).

Vacation pay. Vacation pay is subject to withholding as if it were a regular wage payment. When vacation pay is in addition to regular wages for the vacation period, treat it as a supplemental wage payment. If the vacation pay is for a time longer than your usual payroll period, spread it over the pay periods for which you pay it.

8. Payroll Period

Your payroll period is a period of service for which you usually pay wages. When you have a regular payroll period, withhold income tax for that time period even if your employee doesn't work the full period.

No regular payroll period. When you don't have a regular payroll period, withhold the tax as if you paid wages for a daily or miscellaneous payroll period. Figure the number of days (including Sundays and holidays) in the period covered by the wage payment. If the wages are unrelated to a specific length of time (for example, commissions paid on completion of a sale), count back the number of days from the payment period to the latest of:

- The last wage payment made during the same calendar year,
- The date employment began, if during the same calendar year, or
- January 1 of the same year.

Employee paid for period less than 1 week. When you pay an employee for a period of less than one week, and the employee signs a statement under penalties of perjury indicating he or she isn't working for any other employer during the same week for wages subject to withholding, figure withholding based on a weekly payroll period. If the employee later begins to work for another employer for wages subject to withholding, the employee must notify you within 10 days. You then figure withholding based on the daily or miscellaneous period.

9. Withholding From Employees' Wages

Income Tax Withholding



Changes made under P.L. 115-97 will affect your employees' tax liability for 2018. Encourage your employees to use the IRS withholding calculator available at [IRS.gov/W4App](https://www.irs.gov/W4App) to determine if they should give you a new Form W-4 for 2018.

Using Form W-4 to figure withholding. To know how much federal income tax to withhold from employees' wages, you should have a Form W-4 on file for each employee. Encourage your employees to file an updated Form W-4 for 2018, especially if they owed taxes or received a large refund when filing their 2017 tax return. Advise your employees to use the IRS Withholding Calculator available at [IRS.gov/W4App](https://www.irs.gov/W4App) for help in determining how many withholding allowances to claim on their Forms W-4.

Ask all new employees to give you a signed Form W-4 when they start work. Make the form effective with the first wage payment. If a new employee doesn't give you a completed Form W-4, withhold income tax as if he or she is single, with no withholding allowances.

Form in Spanish. You can provide Formulario W-4(SP) in place of Form W-4, to your Spanish-speaking employees. For more information, see Pub. 17(SP). The rules discussed in this section that apply to Form W-4 also apply to Formulario W-4(SP).

Electronic system to receive Form W-4. You may establish a system to electronically receive Forms W-4 from your employees. See Regulations section 31.3402(f)(5)-1(c) for more information.

Effective date of Form W-4. A Form W-4 remains in effect until the employee gives you a new one. When you receive a new Form W-4 from an employee, don't adjust withholding for pay periods before the effective date of the new form. If an employee gives you a Form W-4 that replaces an existing Form W-4, begin withholding no later than the start of the first payroll period ending on or after the 30th day from the date when you received the replacement Form W-4. For exceptions, see [Exemption from federal income tax withholding](#), [IRS review of requested Forms W-4](#), and [Invalid Forms W-4](#), later in this section.



A Form W-4 that makes a change for the next calendar year won't take effect in the current calendar year.

Successor employer. If you're a successor employer (see [Successor employer](#), later in this section), secure new Forms W-4 from the transferred employees unless the "Alternative Procedure" in section 5 of Revenue Procedure 2004-53, 2004-34 I.R.B. 320, available at [IRS.gov/irb/2004-34_IRB/ar13.html](https://www.irs.gov/irb/2004-34_IRB/ar13.html).

Completing Form W-4. The amount of any federal income tax withholding must be based on marital status and withholding allowances. Your employees may not base their withholding amounts on a fixed dollar amount or percentage. However, an employee may specify a dollar amount to be withheld in addition to the amount of withholding based on filing status and withholding allowances claimed on Form W-4.

Employees may claim fewer withholding allowances than they're entitled to claim. They may wish to claim fewer allowances to ensure they have enough withholding or to offset the tax on other sources of taxable income not subject to withholding.

See Pub. 505 for more information about completing Form W-4. Along with Form W-4, you may wish to order Pub. 505 for use by your employees. Pub. 505 is being updated to incorporate changes made by P.L. 115-97. The IRS anticipates that Pub. 505 will be available by the end of February.

Don't accept any withholding or estimated tax payments from your employees in addition to withholding based on their Form W-4. If they require additional withholding, they should submit a new Form W-4 and, if necessary, pay estimated tax by filing Form 1040-ES or by using EFTPS to make estimated tax payments.



The 2018 Form W-4 may not be available before February 28, 2018. Employees may claim exemption from withholding for 2018 using the 2017 Form W-4 until 30 days after the 2018 Form W-4 is released. The 2017 Form W-4 must be (1) edited by striking "2017" in the text on line 7 and entering "2018" in its place, (2) completed by entering "Exempt 2018" on line 7, or (3) not edited but signed in 2018 and submitted under procedures established by the employer for the employee to certify entitlement to exempt status for 2018 by using the 2017 Form W-4 to claim exemption from withholding for 2018. In addition to 1-3 above, the employee can use any substantially similar method to 1-3 that clearly conveys in writing the employee's intent to certify his or her exemption from withholding for 2018. Employers that have established electronic systems for furnishing withholding allowance certificates may change their electronic systems to substantially conform with the options discussed above. The employee still must give you Form W-4 claiming exemption from federal income tax withholding by February 28, 2018. If the employee doesn't give you Form W-4 by February 28, 2018, follow the withholding rules discussed under [Exemption from federal income tax withholding](#).

Employees who claimed exemption from withholding for 2018 using the 2017 Form W-4, as discussed earlier, don't need to resubmit a 2018 Form W-4 when the 2018 Form W-4 is released.

Exemption from federal income tax withholding.

Generally, an employee may claim exemption from federal income tax withholding because he or she had no income tax liability last year and expects none this year. See the Form W-4 instructions for more information. However, the wages are still subject to social security and Medicare taxes. See also [Invalid Forms W-4](#), later in this section.

A Form W-4 claiming exemption from withholding is effective when it is given to the employer and only for that calendar year. To continue to be exempt from withholding for 2018, an employee must give you a new Form W-4 by February 28. If the employee doesn't give you a new Form W-4 by February 28, begin withholding based on the last Form W-4 for the employee that didn't claim an exemption from withholding or, if one wasn't furnished, then withhold tax as if he or she is single with zero withholding allowances. If the employee provides a new Form W-4 claiming exemption from withholding on March 1 or later, you may apply it to future wages but don't refund any taxes withheld while the exempt status wasn't in place.

Withholding income taxes on the wages of nonresident alien employees. In general, you must withhold federal income taxes on the wages of nonresident alien employees. However, see Pub. 515 for exceptions to this general rule. Also see section 3 of Pub. 51 for guidance on H-2A visa workers.

Withholding adjustment for nonresident alien employees. Apply the procedure discussed next to figure the amount of income tax to withhold from the wages of nonresident alien employees performing services within the United States.



Nonresident alien students from India and business apprentices from India aren't subject to this procedure.

Instructions. To figure how much income tax to withhold from the wages paid to a nonresident alien employee performing services in the United States, use the following steps.

Step 1. Add to the wages paid to the nonresident alien employee for the payroll period the amount shown in the chart next for the applicable payroll period.

Amount to Add to Nonresident Alien Employee's Wages for Calculating Income Tax Withholding Only

Payroll Period	Add Additional
Weekly	\$ 151.00
Biweekly	301.90
Semimonthly	327.10
Monthly	654.20
Quarterly	1,962.50
Semiannually	3,925.00
Annually	7,850.00
Daily or Miscellaneous (each day of the payroll period)	30.20

Step 2. Use the amount figured in *Step 1* and the number of withholding allowances claimed (generally limited to one allowance) to figure income tax withholding. Determine the value of withholding allowances by multiplying the number of withholding allowances claimed by the appropriate amount from [Table 5](#) shown on page 45. If you're using the Percentage Method Tables for Income Tax Withholding, provided on pages 46–47, reduce the amount figured in *Step 1* by the value of withholding allowances and use that reduced amount to figure the income tax withholding. If you're using the Wage Bracket Method Tables for Income Tax Withholding, provided on pages 48–67, use the amount figured in *Step 1* and the number of withholding allowances to figure income tax withholding.

The amounts from the chart above are added to wages solely for calculating income tax withholding on the wages of the nonresident alien employee. The amounts from the chart shouldn't be included in any box on the employee's Form W-2 and don't increase the income tax liability of the employee. Also, the amounts from the chart don't increase the social security tax or Medicare tax liability of the employer or the employee, or the FUTA tax liability of the employer.

This procedure only applies to nonresident alien employees who have wages subject to income tax withholding.

Example. An employer using the percentage method of withholding pays wages of \$500 for a biweekly payroll period to a married nonresident alien employee. The nonresident alien has properly completed Form W-4, entering marital status as "single" with one withholding allowance and indicating status as a nonresident alien on Form W-4, line 6 (see [Nonresident alien employee's Form W-4](#), later in this section). The employer determines the wages to be used in the withholding tables by adding to the \$500 amount of wages paid the amount of \$301.90 from the chart under [Step 1](#) (\$801.90 total). The employer then applies the applicable tables to determine the income tax withholding for nonresident aliens (see [Step 2](#)).



If you use the Percentage Method Tables for Income Tax Withholding, reduce the amount figured in Step 1 by the value of withholding allowances and use that reduced amount to figure income tax withholding.

The \$301.90 added to wages for calculating income tax withholding isn't reported on Form W-2, and doesn't increase the income tax liability of the employee. Also, the \$301.90 added to wages doesn't affect the social security tax or Medicare tax liability of the employer or the employee, or the FUTA tax liability of the employer.

Supplemental wage payment. This procedure for determining the amount of income tax withholding doesn't apply to a supplemental wage payment (see [section 7](#)) if the 37% mandatory flat rate withholding applies or if the 22% optional flat rate withholding is being used to calculate income tax withholding on the supplemental wage payment.

Nonresident alien employee's Form W-4. When completing Forms W-4, nonresident aliens are required to:

- Not claim exemption from income tax withholding;
- Request withholding as if they're single, regardless of their actual marital status;
- Claim only one allowance (if the nonresident alien is a resident of Canada, Mexico, or South Korea, or a student or business apprentice from India, he or she may claim more than one allowance); and
- Write "Nonresident Alien" or "NRA" above the dotted line on line 6 of Form W-4.

If you maintain an electronic Form W-4 system, you should provide a field for nonresident aliens to enter nonresident alien status instead of writing "Nonresident Alien" or "NRA" above the dotted line on line 6.



A nonresident alien employee may request additional withholding at his or her option for other purposes, although such additions shouldn't be necessary for withholding to cover federal income tax liability related to employment.

Form 8233. If a nonresident alien employee claims a tax treaty exemption from withholding, the employee must submit Form 8233 with respect to the income exempt under the treaty, instead of Form W-4. For more information, see *Pay for Personal Services Performed* in the *Withholding on Specific Income* section of Pub. 515 and the Instructions for Form 8233.

IRS review of requested Forms W-4. When requested by the IRS, you must make original Forms W-4 available for inspection by an IRS employee. You may also be directed to send certain Forms W-4 to the IRS. You may receive a notice from the IRS requiring you to submit a copy of Form W-4 for one or more of your named employees. Send the requested copy or copies of Form W-4 to the IRS at the address provided and in the manner directed by the notice. The IRS may also require you to submit copies of Form W-4 to the IRS as directed by Treasury

Decision 9337, 2007-35 I.R.B. 455, which is available at IRS.gov/irb/2007-35_IRB/ar10.html. When we refer to Form W-4, the same rules apply to Formulario W-4(SP), its Spanish translation.

After submitting a copy of a requested Form W-4 to the IRS, continue to withhold federal income tax based on that Form W-4 if it is valid (see [Invalid Forms W-4](#), later in this section). However, if the IRS later notifies you in writing the employee isn't entitled to claim exemption from withholding or a claimed number of withholding allowances, withhold federal income tax based on the effective date, marital status, and maximum number of withholding allowances specified in the IRS notice (commonly referred to as a "lock-in letter").

Initial lock-in letter. The IRS uses information reported on Form W-2 to identify employees with withholding compliance problems. In some cases, if a serious underwithholding problem is found to exist for a particular employee, the IRS may issue a lock-in letter to the employer specifying the maximum number of withholding allowances and marital status permitted for a specific employee. You'll also receive a copy for the employee that identifies the maximum number of withholding allowances and marital status permitted and the process by which the employee can provide additional information to the IRS for purposes of determining the appropriate number of withholding allowances and/or modifying the specified marital status. You must furnish the employee copy to the employee within 10 business days of receipt if the employee is employed by you as of the date of the notice. Begin withholding based on the notice on the date specified in the notice.

Implementation of lock-in letter. When you receive the notice specifying the maximum number of withholding allowances and marital status permitted, you may not withhold immediately on the basis of the notice. You must begin withholding tax on the basis of the notice for any wages paid after the date specified in the notice. The delay between your receipt of the notice and the date to begin the withholding on the basis of the notice permits the employee time to contact the IRS.

Employee not performing services. If you receive a notice for an employee who isn't performing services for you, you must still furnish the employee copy to the employee and withhold based on the notice if any of the following apply.

- You're paying wages for the employee's prior services and the wages are subject to income tax withholding on or after the date specified in the notice.
- You reasonably expect the employee to resume services within 12 months of the date of the notice.
- The employee is on a leave of absence that doesn't exceed 12 months or the employee has a right to re-employment after the leave of absence.

Termination and re-hire of employees. If you must furnish and withhold based on the notice and the employment relationship is terminated after the date of the notice, you must continue to withhold based on the notice if you

continue to pay any wages subject to income tax withholding. You must also withhold based on the notice or modification notice (explained next) if the employee resumes the employment relationship with you within 12 months after the termination of the employment relationship.

Modification notice. After issuing the notice specifying the maximum number of withholding allowances and marital status permitted, the IRS may issue a subsequent notice (modification notice) that modifies the original notice. The modification notice may change the marital status and/or the number of withholding allowances permitted. You must withhold federal income tax based on the effective date specified in the modification notice.

New Form W-4 after IRS notice. After the IRS issues a notice or modification notice, if the employee provides you with a new Form W-4 claiming complete exemption from withholding or claims a marital status, a number of withholding allowances, and any additional withholding that results in less withholding than would result under the IRS notice or modification notice, disregard the new Form W-4. You must withhold based on the notice or modification notice unless the IRS notifies you to withhold based on the new Form W-4. If the employee wants to put a new Form W-4 into effect that results in less withholding than required, the employee must contact the IRS.

If, after you receive an IRS notice or modification notice, your employee gives you a new Form W-4 that doesn't claim exemption from federal income tax withholding and claims a marital status, a number of withholding allowances, and any additional withholding that results in more withholding than would result under the notice or modification notice, you must withhold tax based on the new Form W-4. Otherwise, disregard any subsequent Forms W-4 provided by the employee and withhold based on the IRS notice or modification notice.

For additional information about these rules, see Treasury Decision 9337, 2007-35 I.R.B. 455, available at [IRS.gov/irb/2007-35_IRB/ar10.html](https://www.irs.gov/irb/2007-35_IRB/ar10.html).

Substitute Forms W-4. You're encouraged to have your employees use the official version of Form W-4 to claim withholding allowances or exemption from withholding.

You may use a substitute version of Form W-4 to meet your business needs. However, your substitute Form W-4 must contain language that is identical to the official Form W-4 and your form must meet all current IRS rules for substitute forms. At the time you provide your substitute form to the employee, you must provide him or her with all tables, instructions, and worksheets from the current Form W-4.

You can't accept substitute Forms W-4 developed by employees. An employee who submits an employee-developed substitute Form W-4 after October 10, 2007, will be treated as failing to furnish a Form W-4. However, continue to honor any valid employee-developed Forms W-4 you accepted before October 11, 2007.



If an employee changes the 2017 Form W-4 to claim exemption from federal income tax withholding in 2018, as described earlier, it isn't considered an invalid Form W-4.

Invalid Forms W-4. Any unauthorized change or addition to Form W-4 makes it invalid. This includes taking out any language by which the employee certifies the form is correct. A Form W-4 is also invalid if, by the date an employee gives it to you, he or she clearly indicates it is false. An employee who submits a false Form W-4 may be subject to a \$500 penalty. You may treat a Form W-4 as invalid if the employee wrote "exempt" on line 7 and also entered a number on line 5 or an amount on line 6.

When you get an invalid Form W-4, don't use it to figure federal income tax withholding. Tell the employee it is invalid and ask for another one. If the employee doesn't give you a valid one, withhold tax as if the employee is single with zero withholding allowances. However, if you have an earlier Form W-4 for this worker that is valid, withhold as you did before.

Amounts exempt from levy on wages, salary, and other income. If you receive a Notice of Levy on Wages, Salary, and Other Income (Forms 668-W(ACS), 668-W(c) (DO), or 668-W(ICS)), you must withhold amounts as described in the instructions for these forms. Pub. 1494 has tables to figure the amount exempt from levy. If a levy issued in a prior year is still in effect and the taxpayer submits a new Statement of Exemptions and Filing Status, use the current year Pub. 1494 to figure the exempt amount.

Social Security and Medicare Taxes

The Federal Insurance Contributions Act (FICA) provides for a federal system of old-age, survivors, disability, and hospital insurance. The old-age, survivors, and disability insurance part is financed by the social security tax. The hospital insurance part is financed by the Medicare tax. Each of these taxes is reported separately.

Generally, you're required to withhold social security and Medicare taxes from your employees' wages and pay the employer's share of these taxes. Certain types of wages and compensation aren't subject to social security and Medicare taxes. See [section 5](#) and [section 15](#) for details. Generally, employee wages are subject to social security and Medicare taxes regardless of the employee's age or whether he or she is receiving social security benefits. If the employee reported tips, see [section 6](#).

Tax rates and the social security wage base limit. Social security and Medicare taxes have different rates and only the social security tax has a wage base limit. The wage base limit is the maximum wage subject to the tax for the year. Determine the amount of withholding for social security and Medicare taxes by multiplying each payment by the employee tax rate. There are no withholding allowances for social security and Medicare taxes.

For 2018, the social security tax rate is 6.2% (amount withheld) each for the employer and employee (12.4%

total). The social security wage base limit is \$128,400. The tax rate for Medicare is 1.45% (amount withheld) each for the employee and employer (2.9% total). There is no wage base limit for Medicare tax; all covered wages are subject to Medicare tax.

Additional Medicare Tax withholding. In addition to withholding Medicare tax at 1.45%, you must withhold a 0.9% Additional Medicare Tax from wages you pay to an employee in excess of \$200,000 in a calendar year. You're required to begin withholding Additional Medicare Tax in the pay period in which you pay wages in excess of \$200,000 to an employee and continue to withhold it each pay period until the end of the calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax. All wages that are subject to Medicare tax are subject to Additional Medicare Tax withholding if paid in excess of the \$200,000 withholding threshold.

For more information on what wages are subject to Medicare tax, see [section 15](#). For more information on Additional Medicare Tax, go to [IRS.gov/ADMT](https://www.irs.gov/ADMT).

Successor employer. When corporate acquisitions meet certain requirements, wages paid by the predecessor are treated as if paid by the successor for purposes of applying the social security wage base and for applying the Additional Medicare Tax withholding threshold (that is, \$200,000 in a calendar year). You should determine whether or not you should file Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations, by reviewing the Instructions for Schedule D (Form 941). See Regulations section 31.3121(a)(1)-1(b) for more information. Also see Revenue Procedure 2004-53, 2004-34 I.R.B. 320, available at [IRS.gov/irb/2004-34_IRB/ar13.html](https://www.irs.gov/irb/2004-34_IRB/ar13.html).

Example. Early in 2018, you bought all of the assets of a plumbing business from Mr. Martin. Mr. Brown, who had been employed by Mr. Martin and received \$2,000 in wages before the date of purchase, continued to work for you. The wages you paid to Mr. Brown are subject to social security taxes on the first \$126,400 (\$128,400 minus \$2,000). Medicare tax is due on all of the wages you pay him during the calendar year. You should include the \$2,000 Mr. Brown received while employed by Mr. Martin in determining whether Mr. Brown's wages exceed the \$200,000 for Additional Medicare Tax withholding threshold.

Motion picture project employers. All wages paid by a motion picture project employer to a motion picture project worker during a calendar year are subject to a single social security tax wage base (\$128,400 for 2018) and a single FUTA tax wage base (\$7,000 for 2018) regardless of the worker's status as a common law employee of multiple clients of the motion picture project employer. For more information, including the definition of a motion picture project employer and motion picture project worker, see Internal Revenue Code section 3512.

Withholding social security and Medicare taxes on nonresident alien employees. In general, if you pay wages to nonresident alien employees, you must withhold social security and Medicare taxes as you would for a U.S. citizen or resident alien. However, see Pub. 515 for exceptions to this general rule.

International social security agreements. The United States has social security agreements, also known as totalization agreements, with many countries that eliminate dual taxation and dual coverage. Compensation subject to social security and Medicare taxes may be exempt under one of these agreements. You can get more information and a list of agreement countries from the SSA at [SSA.gov/international](https://ssa.gov/international) or see section 7 of Pub. 15-A.

Religious exemption. An exemption from social security and Medicare taxes is available to members of a recognized religious sect opposed to insurance. This exemption is available only if both the employee and the employer are members of the sect. For more information, see Pub. 517.

Foreign persons treated as American employers. Under IRC section 3121(z), for services performed after July 31, 2008, a foreign person who meets both of the following conditions is generally treated as an American employer for purposes of paying FICA taxes on wages paid to an employee who is a United States citizen or resident.

1. The foreign person is a member of a domestically controlled group of entities.
2. The employee of the foreign person performs services in connection with a contract between the U.S. Government (or an instrumentality of the U.S. Government) and any member of the domestically controlled group of entities. Ownership of more than 50% constitutes control.

Part-Time Workers

Part-time workers and workers hired for short periods of time are treated the same as full-time employees, for federal income tax withholding and social security, Medicare, and FUTA tax purposes.

Generally, it doesn't matter whether the part-time worker or worker hired for a short period of time has another job or has the maximum amount of social security tax withheld by another employer. See [Successor employer](#) above for an exception to this rule.

Income tax withholding may be figured the same way as for full-time workers or it may be figured by the part-year employment method explained in section 9 of Pub. 15-A.

10. Required Notice to Employees About the Earned Income Credit (EIC)


You must notify employees who have no federal income tax withheld that they may be able to claim a tax refund because of the EIC. Although you don't have to notify employees who claim exemption from withholding on Form W-4 about the EIC, you're encouraged to notify any employees whose wages for 2017 were less than \$48,340 (\$53,930 if married filing jointly) that they may be eligible to claim the credit for 2017. This is because eligible employees may get a refund of the amount of EIC that is more than the tax they owe.

You'll meet this notification requirement if you issue the employee Form W-2 with the EIC notice on the back of Copy B, or a substitute Form W-2 with the same statement. You'll also meet the requirement by providing Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC), or your own statement that contains the same wording.

If a substitute for Form W-2 is given to the employee on time but doesn't have the required statement, you must notify the employee within 1 week of the date the substitute for Form W-2 is given. If Form W-2 is required but isn't given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 isn't required, you must notify the employee by February 7, 2018.

11. Depositing Taxes

Generally, you must deposit federal income tax withheld and both the employer and employee social security and Medicare taxes. You must use EFT to make all federal tax deposits. See [How To Deposit](#), later in this section, for information on electronic deposit requirements.

 **The credit against employment taxes for COBRA assistance payments is treated as a deposit of taxes on the first day of your return period. See [COBRA premium assistance credit](#) under Introduction for more information.**

Payment with return. You may make a payment with Form 941 or Form 944 instead of depositing, without incurring a penalty, if one of the following applies.

- Your Form 941 total tax liability for either the current quarter or the prior quarter is less than \$2,500, and you didn't incur a \$100,000 next-day deposit obligation during the current quarter. If you aren't sure your total tax liability for the current quarter will be less than \$2,500, (and your liability for the prior quarter wasn't less than \$2,500), make deposits using the semi-weekly or monthly rules so you won't be subject to an FTD penalty.

- You're a monthly schedule depositor (defined later) and make a payment in accordance with the [Accuracy of Deposits Rule](#), discussed later in this section. This payment may be \$2,500 or more.

Employers who have been notified to file Form 944 can pay their fourth quarter tax liability with Form 944 if the fourth quarter tax liability is less than \$2,500. Employers must have deposited any tax liability due for the first, second, and third quarters according to the deposit rules to avoid an FTD penalty for deposits during those quarters.

Separate deposit requirements for nonpayroll (Form 945) tax liabilities. Separate deposits are required for nonpayroll and payroll income tax withholding. Don't combine deposits for Forms 941 (or Form 944) and Form 945 tax liabilities. Generally, the deposit rules for nonpayroll liabilities are the same as discussed next, except the rules apply to an annual rather than a quarterly return period. Thus, the \$2,500 threshold for the deposit requirement discussed above applies to Form 945 on an annual basis. See the separate Instructions for Form 945 for more information.

When To Deposit

There are two deposit schedules—monthly and semi-weekly—for determining when you deposit social security, Medicare, and withheld income taxes. These schedules tell you when a deposit is due after a tax liability arises (for example, when you have a payday). Before the beginning of each calendar year, you must determine which of the two deposit schedules you're required to use. The deposit schedule you must use is based on the total tax liability you reported on Form 941 during a lookback period, discussed next. Your deposit schedule isn't determined by how often you pay your employees or make deposits. See special rules for Forms 944 and 945, later. Also see [Application of Monthly and Semiweekly Schedules](#), later in this section.



These rules don't apply to FUTA tax. See [section 14](#) for information on depositing FUTA tax.

Lookback period. If you're a Form 941 filer, your deposit schedule for a calendar year is determined from the total taxes reported on Forms 941, line 10 (line 12 for quarters beginning after December 31, 2016), in a 4-quarter lookback period. The lookback period begins July 1 and ends June 30 as shown next in Table 1. If you reported \$50,000 or less of taxes for the lookback period, you're a monthly schedule depositor; if you reported more than \$50,000, you're a semiweekly schedule depositor.

Table 1. Lookback Period for Calendar Year 2018

July 1, 2016 through Sep. 30, 2016	Oct. 1, 2016 through Dec. 31, 2016	Jan. 1, 2017 through Mar. 31, 2017	Apr. 1, 2017 through June 30, 2017
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The lookback period for a 2018 Form 941 filer who filed Form 944 in either 2016 or 2017 is calendar year 2016.

If you're a Form 944 filer for the current year or either of the preceding 2 years, your deposit schedule for a calendar year is determined from the total taxes reported during the second preceding calendar year (either on your Form 941 for all 4 quarters of that year or your Form 944 for that year). The lookback period for 2018 for a Form 944 filer is calendar year 2016. If you reported \$50,000 or less of taxes for the lookback period, you're a monthly schedule depositor; if you reported more than \$50,000, you're a semiweekly schedule depositor.

If you're a Form 945 filer, your deposit schedule for a calendar year is determined from the total taxes reported on line 3 of your Form 945 for the second preceding calendar year. The lookback period for 2018 for a Form 945 filer is calendar year 2016.

Adjustments and the lookback rule. Adjustments made on Form 941-X, Form 944-X, and Form 945-X don't affect the amount of tax liability for previous periods for purposes of the lookback rule.

Example. An employer originally reported a tax liability of \$45,000 for the lookback period. The employer discovered, during January 2018, that the tax reported for one of the lookback period quarters was understated by \$10,000 and corrected this error by filing Form 941-X. This employer is a monthly schedule depositor for 2018 because the lookback period tax liabilities are based on the amounts originally reported, and they were \$50,000 or less.

Deposit period. The term deposit period refers to the period during which tax liabilities are accumulated for each required deposit due date. For monthly schedule depositors, the deposit period is a calendar month. The deposit periods for semiweekly schedule depositors are Wednesday through Friday and Saturday through Tuesday.



If you're an agent with an approved Form 2678, the deposit rules apply to you based on the total employment taxes accumulated by you for your own employees and on behalf of all employers for whom you're authorized to act. For more information on an agent with an approved Form 2678, see Revenue Procedure 2013-39, 2013-52 I.R.B. 830, available at [IRS.gov/irb/2013-52_IRB/ar15.html](https://www.irs.gov/irb/2013-52_IRB/ar15.html).

Monthly Deposit Schedule

You're a monthly schedule depositor for a calendar year if the total taxes on Form 941, line 10 (line 12 for quarters beginning after December 31, 2016), for the 4 quarters in your lookback period were \$50,000 or less. Under the monthly deposit schedule, deposit employment taxes on payments made during a month by the 15th day of the following month. See also [Deposits Due on Business Days Only](#) and the [\\$100,000 Next-Day Deposit Rule](#), later in

this section. Monthly schedule depositors shouldn't file Form 941 or Form 944 on a monthly basis.

New employers. Your tax liability for any quarter in the lookback period before you started or acquired your business is considered to be zero. Therefore, you're a monthly schedule depositor for the first calendar year of your business. However, see the [\\$100,000 Next-Day Deposit Rule](#), later in this section.

Semiweekly Deposit Schedule

You're a semiweekly schedule depositor for a calendar year if the total taxes on Form 941, line 10 (line 12 for quarters beginning after December 31, 2016), during your lookback period were more than \$50,000. Under the semiweekly deposit schedule, deposit employment taxes for payments made on Wednesday, Thursday, and/or Friday by the following Wednesday. Deposit taxes for payments made on Saturday, Sunday, Monday, and/or Tuesday by the following Friday. See also [Deposits Due on Business Days Only](#), later in this section.



Semiweekly schedule depositors must complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and submit it with Form 941. If you file Form 944 and are a semiweekly schedule depositor, complete Form 945-A, Annual Record of Federal Tax Liability, and submit it with your return (instead of Schedule B).

Table 2. Semiweekly Deposit Schedule

IF the payday falls on a . . .	THEN deposit taxes by the following . . .
Wednesday, Thursday, and/or Friday	Wednesday
Saturday, Sunday, Monday, and/or Tuesday	Friday

Semiweekly deposit period spanning two quarters (Form 941 filers). If you have more than one pay date during a semiweekly period and the pay dates fall in different calendar quarters, you'll need to make **separate deposits** for the separate liabilities.

Example. If you have a pay date on Sunday, September 30, 2018 (third quarter), and another pay date on Monday, October 1, 2018 (fourth quarter), two separate deposits would be required even though the pay dates fall within the same semiweekly period. Both deposits would be due Friday, October 5, 2018.

Semiweekly deposit period spanning two return periods (Form 944 or Form 945 filers). If you have more than one pay date during a semiweekly period and the pay dates fall in different return periods, you'll need to make separate deposits for the separate liabilities. For example, if you have a pay date on Saturday, December 30, 2017, and another pay date on Tuesday, January 2, 2018, two separate deposits will be required even though the

pay dates fall within the same semiweekly period. Both deposits will be due Friday, January 5, 2018 (3 business days from the end of the semiweekly deposit period).

Summary of Steps to Determine Your Deposit Schedule

1. Identify your lookback period (see [Lookback period](#), earlier in this section).
2. Add the total taxes you reported on Form 941, line 10 (line 12 for quarters beginning after December 31, 2016), during the lookback period.
3. Determine if you're a monthly or semiweekly schedule depositor:

If the total taxes you reported in the lookback period were	Then you're a
\$50,000 or less	Monthly Schedule Depositor
More than \$50,000	Semiweekly Schedule Depositor

Example of Monthly and Semiweekly Schedules

Rose Co. reported Form 941 taxes as follows:

2017 Lookback Period		2018 Lookback Period	
3rd Quarter 2015	\$12,000	3rd Quarter 2016	\$12,000
4th Quarter 2015	12,000	4th Quarter 2016	12,000
1st Quarter 2016	12,000	1st Quarter 2017	12,000
2nd Quarter 2016	12,000	2nd Quarter 2017	15,000
	<u>\$48,000</u>		<u>\$51,000</u>

Rose Co. is a monthly schedule depositor for 2017 because its tax liability for the 4 quarters in its lookback period (third quarter 2015 through second quarter 2016) wasn't more than \$50,000. However, for 2018, Rose Co. is a semiweekly schedule depositor because the total taxes exceeded \$50,000 for the 4 quarters in its lookback period (third quarter 2016 through second quarter 2017).

Deposits Due on Business Days Only

If a deposit is required to be made on a day that isn't a business day, the deposit is considered timely if it is made by the close of the next business day. A business day is any day other than a Saturday, Sunday, or legal holiday. For example, if a deposit is required to be made on a Friday and Friday is a legal holiday, the deposit will be considered timely if it is made by the following Monday (if that Monday is a business day).

Semiweekly schedule depositors have at least 3 business days following the close of the semiweekly period to make a deposit. If any of the 3 weekdays after the end of a semiweekly period is a legal holiday, you'll have an additional day for each day that is a legal holiday to make the required deposit. For example, if a semiweekly schedule depositor accumulated taxes for payments made on Friday and the following Monday is a legal holiday, the deposit normally due on Wednesday may be

made on Thursday (this allows 3 business days to make the deposit).

Legal holiday. The term "legal holiday" means any legal holiday in the District of Columbia. For purposes of the deposit rules, the term "legal holiday" doesn't include other statewide legal holidays. Legal holidays for 2018 are listed next.

- January 1— New Year's Day
- January 15— Birthday of Martin Luther King, Jr.
- February 19— Washington's Birthday
- April 16— District of Columbia Emancipation Day
- May 28— Memorial Day
- July 4— Independence Day
- September 3— Labor Day
- October 8— Columbus Day
- November 12— Veterans' Day (observed)
- November 22— Thanksgiving Day
- December 25— Christmas Day

Application of Monthly and Semiweekly Schedules

The terms "monthly schedule depositor" and "semiweekly schedule depositor" don't refer to how often your business pays its employees or even how often you're required to make deposits. The terms identify which set of deposit rules you must follow when an employment tax liability arises. The deposit rules are based on the dates when wages are paid (for example, cash basis); not on when tax liabilities are accrued for accounting purposes.

Monthly schedule example. Spruce Co. is a monthly schedule depositor with seasonal employees. It paid wages each Friday during April but didn't pay any wages during May. Under the monthly deposit schedule, Spruce Co. must deposit the combined tax liabilities for the April paydays by May 15. Spruce Co. doesn't have a deposit requirement for May (due by June 15) because no wages were paid and, therefore, it didn't have a tax liability for May.

Semiweekly schedule example. Green, Inc. is a semiweekly schedule depositor and pays wages once each month on the last Friday of the month. Although Green, Inc., has a semiweekly deposit schedule, it will deposit just once a month because it pays wages only once a month. The deposit, however, will be made under the semiweekly deposit schedule as follows: Green, Inc.'s tax liability for the April 27, 2018 (Friday), payday must be deposited by May 2, 2018 (Wednesday). Under the semiweekly deposit schedule, liabilities for wages paid on Wednesday through Friday must be deposited by the following Wednesday.

\$100,000 Next-Day Deposit Rule

If you accumulate \$100,000 or more in taxes on any day during a monthly or semiweekly deposit period (see [Deposit period](#), earlier in this section), you must deposit the tax by the next business day, whether you're a monthly or semiweekly schedule depositor.

For purposes of the \$100,000 rule, don't continue accumulating a tax liability after the end of a deposit period. For example, if a semiweekly schedule depositor has accumulated a liability of \$95,000 on a Tuesday (of a Saturday-through-Tuesday deposit period) and accumulated a \$10,000 liability on Wednesday, the \$100,000 next-day deposit rule doesn't apply. Thus, \$95,000 must be deposited by Friday and \$10,000 must be deposited by the following Wednesday.

However, once you accumulate at least \$100,000 in a deposit period, stop accumulating at the end of that day and begin to accumulate anew on the next day. For example, Fir Co. is a semiweekly schedule depositor. On Monday, Fir Co. accumulates taxes of \$110,000 and must deposit this amount on Tuesday, the next business day. On Tuesday, Fir Co. accumulates additional taxes of \$30,000. Because the \$30,000 isn't added to the previous \$110,000 and is less than \$100,000, Fir Co. must deposit the \$30,000 by Friday (following the semiweekly deposit schedule).



If you're a monthly schedule depositor and accumulate a \$100,000 tax liability on any day, you become a semiweekly schedule depositor on the next day and remain so for at least the rest of the calendar year and for the following calendar year.

Example. Elm, Inc., started its business on May 7, 2018. On Wednesday, May 9, it paid wages for the first time and accumulated a tax liability of \$40,000. On Friday, May 11, Elm, Inc., paid wages and accumulated a liability of \$60,000, bringing its total accumulated tax liability to \$100,000. Because this was the first year of its business, the tax liability for its lookback period is considered to be zero, and it would be a monthly schedule depositor based on the lookback rules. However, since Elm, Inc., accumulated a \$100,000 liability on May 11, it became a semiweekly schedule depositor on May 12. It will be a semiweekly schedule depositor for the remainder of 2018 and for 2019. Elm, Inc., is required to deposit the \$100,000 by Monday, May 14, the next business day.

Accuracy of Deposits Rule

You're required to deposit 100% of your tax liability on or before the deposit due date. However, penalties won't be applied for depositing less than 100% if both of the following conditions are met.

- Any deposit shortfall doesn't exceed the greater of \$100 or 2% of the amount of taxes otherwise required to be deposited.

- The deposit shortfall is paid or deposited by the shortfall makeup date as described next.

Makeup Date for Deposit Shortfall:

1. **Monthly schedule depositor.** Deposit the shortfall or pay it with your return by the due date of your return for the return period in which the shortfall occurred. You may pay the shortfall with your return even if the amount is \$2,500 or more.
2. **Semiweekly schedule depositor.** Deposit by the earlier of:
 - a. The first Wednesday or Friday (whichever comes first) that falls on or after the 15th day of the month following the month in which the shortfall occurred, or
 - b. The due date of your return (for the return period of the tax liability).

For example, if a semiweekly schedule depositor has a deposit shortfall during June 2018, the shortfall makeup date is July 18, 2018 (Wednesday). However, if the shortfall occurred on the required April 4, 2018 (Wednesday), deposit due date for a March 30, 2018 (Friday), pay date, the return due date for the March 30, 2018, pay date (April 30, 2018) would come before the May 16, 2018 (Wednesday), shortfall makeup date. In this case, the shortfall must be deposited by April 30, 2018.

How To Deposit

You must deposit employment taxes, including Form 945 taxes, by EFT. See [Payment with return](#), earlier in this section, for exceptions explaining when taxes may be paid with the tax return instead of being deposited.

Electronic deposit requirement. You must use EFT to make all federal tax deposits. Generally, an EFT is made using EFTPS. If you don't want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make electronic deposits on your behalf. EFTPS is a free service provided by the Department of Treasury. To get more information about EFTPS or to enroll in EFTPS, visit [EFTPS.gov](https://eftps.gov), or call 1-800-555-4477 or 1-800-733-4829 (TDD). Additional information about EFTPS is also available in Pub. 966.

When you receive your EIN. If you're a new employer that indicated a federal tax obligation when requesting an EIN, you'll be pre-enrolled in EFTPS. You'll receive information about Express Enrollment in your Employer Identification Number (EIN) Package and an additional mailing containing your EFTPS personal identification number (PIN) and instructions for activating your PIN. Call the toll-free number located in your "How to Activate Your Enrollment" brochure to activate your enrollment and begin making your payroll tax deposits. If you outsource any of your payroll and related tax duties to a third party payer, such as a PSP or reporting agent, be sure to tell them about your EFTPS enrollment.

Deposit record. For your records, an EFT Trace Number will be provided with each successful payment. The number can be used as a receipt or to trace the payment.

Depositing on time. For deposits made by EFTPS to be on time, you must submit the deposit by 8 p.m. Eastern time the day before the date the deposit is due. If you use a third party to make a deposit on your behalf, they may have different cutoff times.

Same-day wire payment option. If you fail to submit a deposit transaction on EFTPS by 8 p.m. Eastern time the day before the date a deposit is due, you can still make your deposit on time by using the Federal Tax Collection Service (FTCS). To use the same-day wire payment method, you'll need to make arrangements with your financial institution ahead of time. Please check with your financial institution regarding availability, deadlines, and costs. Your financial institution may charge you a fee for payments made this way. To learn more about the information you'll need to give to your financial institution to make a same-day wire payment, go to [IRS.gov/SameDayWire](https://www.irs.gov/SameDayWire).

How to claim credit for overpayments. If you deposited more than the right amount of taxes for a quarter, you can choose on Form 941 for that quarter (or on Form 944 for that year) to have the overpayment refunded or applied as a credit to your next return. Don't ask EFTPS to request a refund from the IRS for you.

Deposit Penalties



Although the deposit penalties information provided next refers specifically to Form 941, these rules also apply to Form 945 and Form 944 (if the employer required to file Form 944 doesn't qualify for the exception to the deposit requirements discussed under [Payment with return](#), earlier in this section).

Penalties may apply if you don't make required deposits on time or if you make deposits for less than the required amount. The penalties don't apply if any failure to make a proper and timely deposit was due to reasonable cause and not to willful neglect. If you receive a penalty notice, you can provide an explanation of why you believe reasonable cause exists.

If you timely filed your employment tax return, the IRS may also waive deposit penalties if you inadvertently failed to deposit and it was the first quarter that you were required to deposit any employment tax, or if you inadvertently failed to deposit the first time after your deposit frequency changed. You must also meet the net worth and size limitations applicable to awards of administrative and litigation costs under section 7430; for individuals, this means that your net worth can't exceed \$2 million, and for businesses, your net worth can't exceed \$7 million and you also can't have more than 500 employees.

For amounts not properly or timely deposited, the penalty rates are as follows.

- 2% - Deposits made 1 to 5 days late.
- 5% - Deposits made 6 to 15 days late.
- 10% - Deposits made 16 or more days late, but before 10 days from the date of the first notice the IRS sent asking for the tax due.
- 10% - Amounts that should have been deposited, but instead were paid directly to the IRS, or paid with your tax return. But see [Payment with return](#), earlier in this section, for an exception.
- 15% - Amounts still unpaid more than 10 days after the date of the first notice the IRS sent asking for the tax due or the day on which you received notice and demand for immediate payment, whichever is earlier.

Late deposit penalty amounts are determined using calendar days, starting from the due date of the liability.

Special rule for former Form 944 filers. If you filed Form 944 for the prior year and file Forms 941 for the current year, the FTD penalty won't apply to a late deposit of employment taxes for January of the current year if the taxes are deposited in full by March 15 of the current year.

Order in which deposits are applied. Deposits generally are applied to the most recent tax liability within the quarter. If you receive an FTD penalty notice, you may designate how your deposits are to be applied in order to minimize the amount of the penalty if you do so within 90 days of the date of the notice. Follow the instructions on the penalty notice you received. For more information on designating deposits, see Revenue Procedure 2001-58. You can find Revenue Procedure 2001-58 on page 579 of Internal Revenue Bulletin 2001-50 at [IRS.gov/pub/irs-irbs/irb01-50.pdf](https://www.irs.gov/pub/irs-irbs/irb01-50.pdf).

Example. Cedar, Inc. is required to make a deposit of \$1,000 on May 15 and \$1,500 on June 15. It doesn't make the deposit on May 15. On June 15, Cedar, Inc. deposits \$2,000. Under the deposits rule, which applies deposits to the most recent tax liability, \$1,500 of the deposit is applied to the June 15 deposit and the remaining \$500 is applied to the May deposit. Accordingly, \$500 of the May 15 liability remains undeposited. The penalty on this underdeposit will apply as explained above.

Trust fund recovery penalty. If federal income, social security, or Medicare taxes that must be withheld (that is, trust fund taxes) aren't withheld or aren't deposited or paid to the United States Treasury, the trust fund recovery penalty may apply. The penalty is 100% of the unpaid trust fund tax. If these unpaid taxes can't be immediately collected from the employer or business, the trust fund recovery penalty may be imposed on all persons who are determined by the IRS to be responsible for collecting, accounting for, or paying over these taxes, and who acted willfully in not doing so.

A **responsible person** can be an officer or employee of a corporation, a partner or employee of a partnership, an accountant, a volunteer director/trustee, or an employee of a sole proprietorship, or any other person or entity that is responsible for collecting, accounting for, or paying over trust fund taxes. A responsible person also

may include one who signs checks for the business or otherwise has authority to cause the spending of business funds.

Willfully means voluntarily, consciously, and intentionally. A responsible person acts willfully if the person knows the required actions of collecting, accounting for, or paying over trust fund taxes aren't taking place, or recklessly disregards obvious and known risks to the government's right to receive trust fund taxes.

Separate accounting when deposits aren't made or withheld taxes aren't paid. Separate accounting may be required if you don't pay over withheld employee social security, Medicare, or income taxes; deposit required taxes; make required payments; or file tax returns. In this case, you would receive written notice from the IRS requiring you to deposit taxes into a special trust account for the U.S. Government.



You may be charged with criminal penalties if you don't comply with the special bank deposit requirements for the special trust account for the U.S. Government.

"Averaged" FTD penalty. The IRS may assess an "averaged" FTD penalty of 2% to 10% if you're a monthly schedule depositor and didn't properly complete Form 941, line 16, when your tax liability shown on Form 941, line 12, equaled or exceeded \$2,500.

The IRS may also assess an "averaged" FTD penalty of 2% to 10% if you're a semiweekly schedule depositor and your tax liability shown on Form 941, line 12, equaled or exceeded \$2,500 and you:

- Completed Form 941, line 16, instead of Schedule B (Form 941);
- Failed to attach a properly completed Schedule B (Form 941); or
- Improperly completed Schedule B (Form 941) by, for example, entering tax deposits instead of tax liabilities in the numbered spaces.

The FTD penalty is figured by distributing your total tax liability shown on Form 941, line 12, equally throughout the tax period. Then we apply your deposits and payments to the averaged liabilities in the date order we received your deposits. We figure the penalty on any tax not deposited, deposited late, or not deposited in the correct amounts. Your deposits and payments may not be counted as timely because the actual dates of your tax liabilities can't be accurately determined.

You can avoid an "averaged" FTD penalty by reviewing your return before you file it. Follow these steps before submitting your Form 941.

- If you're a monthly schedule depositor, report your tax liabilities (not your deposits) in the monthly entry spaces on Form 941, line 16.
- If you're a semiweekly schedule depositor, report your tax liabilities (not your deposits) on Schedule B (Form 941) in the lines that represent the dates your employees were paid.

- Verify your total liability shown on Form 941, line 16, or the bottom of Schedule B (Form 941) equals your tax liability shown on Form 941, line 12.
- Don't show negative amounts on Form 941, line 16, or Schedule B (Form 941).
- For prior period errors don't adjust your tax liabilities reported on Form 941, line 16, or on Schedule B (Form 941). Instead, file an adjusted return (Form 941-X, 944-X, or 945-X) if you're also adjusting your tax liability. If you're only adjusting your deposits in response to an FTD penalty notice, see the Instructions for Schedule B (Form 941) or the Instructions for Form 945-X (for Forms 944 and 945).

12. Filing Form 941 or Form 944

Form 941. Each quarter, if you pay wages subject to income tax withholding (including withholding on sick pay and supplemental unemployment benefits) or social security and Medicare taxes, you must file Form 941 unless you receive an IRS notification that you're eligible to file Form 944 or the following exceptions apply. Also, if you're required to file Forms 941 but believe your employment taxes for the calendar year will be \$1,000 or less, and you would like to file Form 944 instead of Forms 941, you must contact the IRS during the first calendar quarter of the tax year to request to file Form 944. You must receive written notice from the IRS to file Form 944 instead of Forms 941 before you may file this form. For more information on requesting to file Form 944, including the methods and deadlines for making a request, see the Instructions for Form 944. Form 941 must be filed by the last day of the month that follows the end of the quarter. See the [Calendar](#), earlier.

Form 944. If you receive written notification that you qualify for the Form 944 program, you must file Form 944 instead of Form 941. If you received this notification, but prefer to file Form 941, you can request to have your filing requirement changed to Form 941 during the first calendar quarter of the tax year. For more information on requesting to file Forms 941, including the methods and deadlines for making a request, see the Instructions for Form 944. Form 944 must be filed by January 31. However, if you timely deposited all taxes when due, you may file by February 10.

Exceptions. The following exceptions apply to the filing requirements for Forms 941 and 944.

- **Seasonal employers who no longer file for quarters when they regularly have no tax liability because they have paid no wages.** To alert the IRS you won't have to file a return for one or more quarters during the year, check the "Seasonal employer" box on Form 941, line 18. When you fill out Form 941, be sure to check the box on the top of the form that corresponds to the quarter reported. Generally, the IRS

won't inquire about unfiled returns if at least one taxable return is filed each year. However, you must check the "Seasonal employer" box on **every** Form 941 you file. Otherwise, the IRS will expect a return to be filed for each quarter.

- **Household employers reporting social security and Medicare taxes and/or withheld income tax.** If you're a sole proprietor and file Form 941 or Form 944 for business employees, you may include taxes for household employees on your Form 941 or Form 944. Otherwise, report social security and Medicare taxes and income tax withholding for household employees on Schedule H (Form 1040). See Pub. 926 for more information.
- **Employers reporting wages for employees in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or Puerto Rico.** If your employees aren't subject to U.S. income tax withholding, use Forms 941-SS, 944, or Formulario 944(SP). Employers in Puerto Rico use Formularios 941-PR, 944(SP), or Form 944. If you have both employees who are subject to U.S. income tax withholding and employees who aren't subject to U.S. income tax withholding, you must file only Form 941 (or Form 944 or Formulario 944(SP)) and include all of your employees' wages on that form. For more information, see Pub. 80, Federal Tax Guide for Employers in U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, or Pub. 179, Guía Contributiva Federal para Patronos Puertorriqueños.
- **Agricultural employers reporting social security, Medicare, and withheld income taxes.** Report these taxes on Form 943. For more information, see Pub. 51.

Form 941 e-file. The Form 941 *e-file* program allows a taxpayer to electronically file Form 941 or Form 944 using a computer with an internet connection and commercial tax preparation software. For more information, go to [IRS.gov/EmploymentEfile](https://www.irs.gov/employmentefile), or call 1-866-255-0654.

Electronic filing by reporting agents. Reporting agents filing Forms 941 or Form 944 for groups of taxpayers can file them electronically. See *Reporting Agents* in section 7 of Pub. 15-A.

Electronic filing by CPEOs. With the exception of the first quarter for which a CPEO is certified, CPEOs are required to electronically file Form 941. Under certain circumstances, the IRS may waive the electronic filing requirement. To request a waiver, the CPEO must file a written request using the IRS Online Registration System for Professional Employer Organizations at least 45 days before the due date of the return for which the CPEO is unable to electronically file. For more information on filing a waiver request electronically, go to [IRS.gov/CPEO](https://www.irs.gov/CPEO).

Penalties. For each whole or part month a return isn't filed when required (disregarding any extensions of the filing deadline), there is a failure-to-file (FTF) penalty of 5%

of the unpaid tax due with that return. The maximum penalty is generally 25% of the tax due. Also, for each whole or part month the tax is paid late (disregarding any extensions of the payment deadline), there is a failure-to-pay (FTP) penalty of 0.5% per month of the amount of tax. For individual filers only, the FTP penalty is reduced from 0.5% per month to 0.25% per month if an installment agreement is in effect. You must have filed your return on or before the due date of the return to qualify for the reduced penalty. The maximum amount of the FTP penalty is also 25% of the tax due. If both penalties apply in any month, the FTF penalty is reduced by the amount of the FTP penalty. The penalties won't be charged if you have a reasonable cause for failing to file or pay. If you receive a penalty notice, you can provide an explanation of why you believe reasonable cause exists.

Note. In addition to any penalties, interest accrues from the due date of the tax on any unpaid balance.

If income, social security, or Medicare taxes that must be withheld aren't withheld or aren't paid, you may be personally liable for the trust fund recovery penalty. See [Trust fund recovery penalty](#) in section 11.

Generally, the use of a third-party payer, such as a PSP or reporting agent, doesn't relieve an employer of the responsibility to ensure tax returns are filed and all taxes are paid or deposited correctly and on time. However, see [Certified professional employer organization \(CPEO\)](#), later, for an exception.

Don't file more than one Form 941 per quarter or more than one Form 944 per year. Employers with multiple locations or divisions must file only one Form 941 per quarter or one Form 944 per year. Filing more than one return may result in processing delays and may require correspondence between you and the IRS. For information on making adjustments to previously filed returns, see [section 13](#).

Reminders about filing.

- Don't report more than 1 calendar quarter on a Form 941.
- If you need Form 941 or Form 944, get one from the IRS in time to file the return when due. See [Ordering Employer Tax Forms and Publications](#), earlier.
- Enter your name and EIN on Form 941 or Form 944. Be sure they're exactly as they appeared on earlier returns.
- See the Instructions for Form 941 or the Instructions for Form 944 for information on preparing the form.

Final return. If you go out of business, you must file a final return for the last quarter (last year for Form 944) in which wages are paid. If you continue to pay wages or other compensation for periods following termination of your business, you must file returns for those periods. See the Instructions for Form 941 or the Instructions for Form 944 for details on how to file a final return.

If you're required to file a final return, you're also required to furnish Forms W-2 to your employees and file

Forms W-2 and W-3 with the SSA by the due date of your final return. Don't send an original or copy of your Form 941 or Form 944 to the SSA. See the General Instructions for Forms W-2 and W-3 for more information.

Filing late returns for previous years. If possible, get a copy of Form 941 or Form 944 (and separate instructions) with a revision date showing the year for which your delinquent return is being filed. See [Ordering Employer Tax Forms and Publications](#), earlier. Contact the IRS at 1-800-829-4933 if you have any questions about filing late returns.

Table 3. Social Security and Medicare Tax Rates (for 3 prior years)

Calendar Year	Wage Base Limit (each employee)	Tax Rate on Taxable Wages and Tips
2017–Social Security	\$127,200	12.4%
2017–Medicare	All Wages	2.9%
2016–Social Security	\$118,500	12.4%
2016–Medicare	All Wages	2.9%
2015–Social Security	\$118,500	12.4%
2015–Medicare	All Wages	2.9%

Reconciling Forms W-2, W-3, and 941 or 944. When there are discrepancies between Forms 941 or Form 944 filed with the IRS and Forms W-2 and W-3 filed with the SSA, the IRS must contact you to resolve the discrepancies.

Take the following steps to help reduce discrepancies.

1. Report bonuses as wages and as social security and Medicare wages on Forms W-2 and on Form 941 or Form 944.
2. Report both social security and Medicare wages and taxes separately on Forms W-2, W-3, 941, and 944.
3. Report employee share of social security taxes on Form W-2 in the box for social security tax withheld (box 4), not as social security wages.
4. Report employee share of Medicare taxes on Form W-2 in the box for Medicare tax withheld (box 6), not as Medicare wages.
5. Make sure the social security wage amount for each employee doesn't exceed the annual social security wage base limit (for example, \$128,400 for 2018).
6. Don't report noncash wages that aren't subject to social security or Medicare taxes as social security or Medicare wages.
7. If you used an EIN on any Form 941 or Form 944 for the year that is different from the EIN reported on Form W-3, enter the other EIN on Form W-3 in the box for "Other EIN used this year" (box h).
8. Be sure the amounts on Form W-3 are the total of amounts from Forms W-2.

9. Reconcile Form W-3 with your four quarterly Forms 941 or annual Form 944 by comparing amounts reported for the following items.

- a. Federal income tax withheld.
- b. Social security and Medicare wages.
- c. Social security and Medicare taxes. Generally, the amounts shown on Forms 941 or annual Form 944, including current year adjustments, should be approximately twice the amounts shown on Form W-3.

Don't report backup withholding or withholding on non-payroll payments, such as pensions, annuities, and gambling winnings, on Form 941 or Form 944. Withholding on nonpayroll payments is reported on Forms 1099 or W-2G and must be reported on Form 945. Only taxes and withholding reported on Form W-2 should be reported on Form 941 or Form 944.

Amounts reported on Forms W-2, W-3, and Forms 941 or Form 944 may not match for valid reasons. For example, if you withheld any Additional Medicare Tax from your employee's wages, the amount of Medicare tax that is reported on Forms 941, line 5c, or Form 944, line 4c, won't be twice the amount of the Medicare tax withheld that is reported in box 6 of Form W-3. Make sure there are valid reasons for any mismatch. Keep your reconciliation so you'll have a record of why amounts didn't match in case there are inquiries from the IRS or the SSA. See the Instructions for Schedule D (Form 941) if you need to explain any discrepancies that were caused by an acquisition, statutory merger, or consolidation.

13. Reporting Adjustments to Form 941 or Form 944

Current Period Adjustments

In certain cases, amounts reported as social security and Medicare taxes on Form 941, lines 5a–5d, column 2 (Form 944, lines 4a–4d, column 2), must be adjusted to arrive at your correct tax liability (for example, excluding amounts withheld by a third party payor or amounts you weren't required to withhold). Current period adjustments are reported on Form 941, lines 7–9, or Form 944, line 6, and include the following types of adjustments.

Fractions-of-cents adjustment. If there is a small difference between total taxes after adjustments and credits (Form 941, line 12; Form 944, line 9) and total deposits (Form 941, line 13; Form 944, line 10), it may have been caused, all or in part, by rounding to the nearest cent each time you computed payroll. This rounding occurs when you figure the amount of social security and Medicare tax to be withheld and deposited from each employee's wages. The IRS refers to rounding differences relating to employee withholding of social security and Medicare taxes as "fractions-of-cents" adjustments. If you pay your taxes with Form 941 (or Form 944) instead of making deposits

because your total taxes for the quarter (year for Form 944) are less than \$2,500, you also may report a fractions-of-cents adjustment.

To determine if you have a fractions-of-cents adjustment for 2018, multiply the total wages and tips for the quarter subject to:

- Social security tax reported on Form 941 or Form 944 by 6.2% (0.062),
- Medicare tax reported on Form 941 or Form 944 by 1.45% (0.0145), and
- Additional Medicare Tax reported on Form 941 or 944 by 0.9% (0.009).

Compare these amounts (the employee share of social security and Medicare taxes) with the total social security and Medicare taxes actually withheld from employees for the quarter (from your payroll records). The difference, positive or negative, is your fractions-of-cents adjustment to be reported on Form 941, line 7, or Form 944, line 6. If the actual amount withheld is less, report a negative adjustment using a minus sign (if possible, otherwise use parentheses) in the entry space. If the actual amount is more, report a positive adjustment.



For the above adjustments, prepare and retain a brief supporting statement explaining the nature and amount of each. Don't attach the statement to Form 941 or Form 944.

Example. Cedar, Inc., was entitled to the following current period adjustments.

- **Fractions of cents.** Cedar, Inc., determined the amounts withheld and deposited for social security and Medicare taxes during the quarter were a net \$1.44 more than the employee share of the amount figured on Form 941, lines 5a–5d, column 2 (social security and Medicare taxes). This difference was caused by adding or dropping fractions of cents when figuring social security and Medicare taxes for each wage payment. Cedar, Inc., must report a positive \$1.44 fractions-of-cents adjustment on Form 941, line 7.
- **Third-party sick pay.** Cedar, Inc., included taxes of \$2,000 for sick pay on Form 941, lines 5a and 5c, column 2, for social security and Medicare taxes. However, the third-party payor of the sick pay withheld and paid the employee share (\$1,000) of these taxes. Cedar, Inc., is entitled to a \$1,000 sick pay adjustment (negative) on Form 941, line 8.
- **Life insurance premiums.** Cedar, Inc., paid group-term life insurance premiums for policies in excess of \$50,000 for former employees. The former employees must pay the employee share of the social security and Medicare taxes (\$200) on the policies. However, Cedar, Inc., must include the employee share of these taxes with the social security and Medicare taxes reported on Form 941, lines 5a and 5c, column 2. Therefore, Cedar, Inc., is entitled to a negative \$200 adjustment on Form 941, line 9.

Adjustment of tax on third-party sick pay. Report both the employer and employee shares of social security and Medicare taxes for sick pay on Form 941, lines 5a and 5c (Form 944, lines 4a and 4c). If the aggregate wages paid for an employee by the employer and third-party payor exceed \$200,000 for the calendar year, report the Additional Medicare Tax on Form 941, line 5d (Form 944, line 4d). Show as a negative adjustment on Form 941, line 8 (Form 944, line 6), the social security and Medicare taxes withheld on sick pay by a third-party payor. See section 6 of Pub. 15-A for more information.

Adjustment of tax on tips. If, by the 10th of the month after the month you received an employee's report on tips, you don't have enough employee funds available to withhold the employee's share of social security and Medicare taxes, you no longer have to collect it. However, report the entire amount of these tips on Form 941, lines 5b and 5c (Form 944, lines 4b and 4c). If the aggregate wages and tips paid for an employee exceed \$200,000 for the calendar year, report the Additional Medicare Tax on Form 941, line 5d (Form 944, line 4d). Include as a negative adjustment on Form 941, line 9 (Form 944, line 6), the total uncollected employee share of the social security and Medicare taxes.

Adjustment of tax on group-term life insurance premiums paid for former employees. The employee share of social security and Medicare taxes for premiums on group-term life insurance over \$50,000 for a former employee is paid by the former employee with his or her tax return and isn't collected by the employer. However, include all social security and Medicare taxes for such coverage on Form 941, lines 5a and 5c (Form 944, lines 4a and 4c). If the amount paid for an employee for premiums on group-term life insurance combined with other wages exceeds \$200,000 for the calendar year, report the Additional Medicare Tax on Form 941, line 5d (Form 944, line 4d). Back out the amount of the employee share of these taxes as a negative adjustment on Form 941, line 9 (Form 944, line 6). See Pub. 15-B for more information on group-term life insurance.

No change to record of federal tax liability. Don't make any changes to your record of federal tax liability reported on Form 941, line 16, or Schedule B (Form 941) (Form 945-A for Form 944 filers) for current period adjustments. The amounts reported on the record reflect the actual amounts you withheld from employees' wages for social security and Medicare taxes. Because the current period adjustments make the amounts reported on Form 941, lines 5a–5d, column 2 (Form 944, lines 4a–4d, column 2), equal the actual amounts you withheld (the amounts reported on the record), no additional changes to the record of federal tax liability are necessary for these adjustments.

Prior Period Adjustments

Forms for prior period adjustments. Use Form 941-X or Form 944-X to make a correction after you discover an error on a previously filed Form 941 or Form 944. There

are also Forms 943-X, 945-X, and CT-1 X to report corrections on the corresponding returns. Use Form 843 when requesting a refund or abatement of assessed interest or penalties.



See Revenue Ruling 2009-39, 2009-52 I.R.B. 951, for examples of how the interest-free adjustment and claim for refund rules apply in 10 different situations. You can find Revenue Ruling 2009-39, at [IRS.gov/irb/2009-52_IRB/ar14.html](https://www.irs.gov/irb/2009-52_IRB/ar14.html).

Background. Treasury Decision 9405 changed the process for making interest-free adjustments to employment taxes reported on Form 941 and Form 944 and for filing a claim for refund of employment taxes. Treasury Decision 9405, 2008-32 I.R.B. 293, is available at [IRS.gov/irb/2008-32_irb/ar13.html](https://www.irs.gov/irb/2008-32_irb/ar13.html). You'll use the adjustment process if you underreported employment taxes and are making a payment, or if you overreported employment taxes and will be applying the credit to the Form 941 or Form 944 period during which you file Form 941-X or Form 944-X. You'll use the claim process if you overreported employment taxes and are requesting a refund or abatement of the overreported amount. We use the terms "correct" and "corrections" to include interest-free adjustments under sections 6205 and 6413, and claims for refund and abatement under sections 6402, 6414, and 6404 of the Internal Revenue Code.

Correcting employment taxes. When you discover an error on a previously filed Form 941 or Form 944, you must:

- Correct that error using Form 941-X or Form 944-X,
- File a separate Form 941-X or Form 944-X for each Form 941 or Form 944 you're correcting, and
- File Form 941-X or Form 944-X separately. Don't file with Form 941 or Form 944.

Continue to report current quarter adjustments for fractions of cents, third-party sick pay, tips, and group-term life insurance on Form 941 using lines 7–9, and on Form 944 using line 6.

Report the correction of underreported and overreported amounts for the same tax period on a single Form 941-X or Form 944-X unless you're requesting a refund. If you're requesting a refund and are correcting both underreported and overreported amounts, file one Form 941-X or Form 944-X correcting the underreported amounts only and a second Form 941-X or Form 944-X correcting the overreported amounts.

See the chart on the back of Form 941-X or Form 944-X for help in choosing whether to use the adjustment process or the claim process. See the Instructions for Form 941-X or the Instructions for Form 944-X for details on how to make the adjustment or claim for refund or abatement.

Income tax withholding adjustments. In a current calendar year, correct prior quarter income tax withholding errors by making the correction on Form 941-X when you discover the error.

You may make an adjustment only to correct income tax withholding errors discovered during the same calendar year in which you paid the wages. This is because the employee uses the amount shown on Form W-2 or, if applicable, Form W-2C, as a credit when filing his or her income tax return (Form 1040, etc.).

You can't adjust amounts reported as income tax withheld in a prior calendar year unless it is to correct an administrative error or IRC section 3509 applies. An administrative error occurs if the amount you entered on Form 941 or Form 944 isn't the amount you actually withheld. For example, if the total income tax actually withheld was incorrectly reported on Form 941 or Form 944 due to a mathematical or transposition error, this would be an administrative error. The administrative error adjustment corrects the amount reported on Form 941 or Form 944 to agree with the amount actually withheld from employees and reported on their Forms W-2.

Additional Medicare Tax withholding adjustments.

Generally, the rules discussed above under [Income tax withholding adjustments](#) apply to Additional Medicare Tax withholding adjustments. That is, you may make an adjustment to correct Additional Medicare Tax withholding errors discovered during the same calendar year in which you paid wages. You can't adjust amounts reported in a prior calendar year unless it is to correct an administrative error or IRC section 3509 applies. If you have overpaid Additional Medicare Tax, you can't file a claim for refund for the amount of the overpayment unless the amount wasn't actually withheld from the employee's wages (which would be an administrative error).

If a prior year error was a nonadministrative error, you may correct only the **wages and tips** subject to Additional Medicare Tax withholding.

Collecting underwithheld taxes from employees. If you withheld no income, social security, or Medicare taxes or less than the correct amount from an employee's wages, you can make it up from later pay to that employee. But you're the one who owes the underpayment. Reimbursement is a matter for settlement between you and the employee. Underwithheld income tax and Additional Medicare Tax must be recovered from the employee on or before the last day of the calendar year. There are special rules for tax on tips (see [section 6](#)) and fringe benefits (see [section 5](#)).

Refunding amounts incorrectly withheld from employees. If you withheld more than the correct amount of income, social security, or Medicare taxes from wages paid, repay or reimburse the employee the excess. Any excess income tax or Additional Medicare Tax withholding must be repaid or reimbursed to the employee before the end of the calendar year in which it was withheld. Keep in your records the employee's written receipt showing the date and amount of the repayment or record of reimbursement. If you didn't repay or reimburse the employee, you must report and pay each excess amount when you file Form 941 for the quarter (or Form 944 for the year) in which you withheld too much tax.

Correcting filed Forms W-2 and W-3. When adjustments are made to correct wages and social security and Medicare taxes because of a change in the wage totals reported for a previous year, you also need to file Form W-2c and Form W-3c with the SSA. Up to 25 Forms W-2c per Form W-3c may now be filed per session over the Internet, with no limit on the number of sessions. For more information, visit the Social Security Administration's Employer W-2 Filing Instructions & Information webpage at [SSA.gov/employer](https://ssa.gov/employer).

Exceptions to interest-free corrections of employment taxes. A correction won't be eligible for interest-free treatment if:

- The failure to report relates to an issue raised in an IRS examination of a prior return, or
- The employer knowingly underreported its employment tax liability.

A correction won't be eligible for interest-free treatment after the earlier of the following:

- Receipt of an IRS notice and demand for payment after assessment or
- Receipt of an IRS notice of determination under Internal Revenue Code section 7436.

Wage Repayments

If an employee repays you for wages received in error, don't offset the repayments against current-year wages unless the repayments are for amounts received in error in the current year.

Repayment of current year wages. If you receive repayments for wages paid during a prior quarter in the current year, report adjustments on Form 941-X to recover income tax withholding and social security and Medicare taxes for the repaid wages.

Repayment of prior year wages. If you receive repayments for wages paid during a prior year, report an adjustment on Form 941-X or Form 944-X to recover the social security and Medicare taxes. You can't make an adjustment for income tax withholding because the wages were income to the employee for the prior year. You can't make an adjustment for Additional Medicare Tax withholding because the employee determines liability for Additional Medicare Tax on the employee's income tax return for the prior year.

You also must file Forms W-2c and W-3c with the SSA to correct social security and Medicare wages and taxes. Don't correct wages (box 1) on Form W-2c for the amount paid in error. Give a copy of Form W-2c to the employee.

Employee reporting of repayment. The wages paid in error in the prior year remain taxable to the employee for that year. This is because the employee received and had use of those funds during that year. The employee isn't entitled to file an amended return (Form 1040X) to recover the income tax on these wages. Instead, the employee may be entitled to a deduction (or credit in some

cases) for the repaid wages on his or her income tax return for the year of repayment. However, the employee should file an amended return (Form 1040X) to recover any Additional Medicare Tax paid on the wages paid in error in the prior year.

14. Federal Unemployment (FUTA) Tax

The Federal Unemployment Tax Act, with state unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both a federal and a state unemployment tax. For a list of state unemployment agencies, visit the U.S. Department of Labor's website at oui.doleta.gov/unemploy/agencies.asp. Only the employer pays FUTA tax; it isn't withheld from the employee's wages. For more information, see the Instructions for Form 940.



Services rendered to a federally recognized Indian tribal government (or any subdivision, subsidiary, or business wholly owned by such an Indian tribe) are exempt from FUTA tax, subject to the tribe's compliance with state law. For more information, see Internal Revenue Code section 3309(d).

Who must pay? Use the following three tests to determine whether you must pay FUTA tax. Each test applies to a different category of employee, and each is independent of the others. If a test describes your situation, you're subject to FUTA tax on the wages you pay to employees in that category during the current calendar year.

1. General test.

You're subject to FUTA tax in 2018 on the wages you pay employees who aren't farmworkers or household workers if:

- a. You paid wages of \$1,500 or more in any calendar quarter in 2017 or 2018, or
- b. You had one or more employees for at least some part of a day in any 20 or more different weeks in 2017 or 20 or more different weeks in 2018.

2. Household employees test.

You're subject to FUTA tax if you paid total cash wages of \$1,000 or more to household employees in any calendar quarter in 2017 or 2018. A household employee is an employee who performs household work in a private home, local college club, or local fraternity or sorority chapter.

3. Farmworkers test.

You're subject to FUTA tax on the wages you pay to farmworkers if:

- a. You paid cash wages of \$20,000 or more to farmworkers during any calendar quarter in 2017 or 2018, or
- b. You employed 10 or more farmworkers during at least some part of a day (whether or not at the

same time) during any 20 or more different weeks in 2017 or 20 or more different weeks in 2018.

Computing FUTA tax. For 2018, the FUTA tax rate is 6.0%. The tax applies to the first \$7,000 you pay to each employee as wages during the year. The \$7,000 is the federal wage base. Your state wage base may be different.

Generally, you can take a credit against your FUTA tax for amounts you paid into state unemployment funds. The credit may be as much as 5.4% of FUTA taxable wages. If you're entitled to the maximum 5.4% credit, the FUTA tax rate after credit is 0.6%. You're entitled to the maximum credit if you paid your state unemployment taxes in full, on time, and on all the same wages as are subject to FUTA tax, and as long as the state isn't determined to be a credit reduction state. See the Instructions for Form 940 to determine the credit.

In some states, the wages subject to state unemployment tax are the same as the wages subject to FUTA tax. However, certain states exclude some types of wages from state unemployment tax, even though they're subject to FUTA tax (for example, wages paid to corporate officers, certain payments of sick pay by unions, and certain fringe benefits). In such a case, you may be required to deposit more than 0.6% FUTA tax on those wages. See the Instructions for Form 940 for further guidance.

TIP *In years when there are credit reduction states, you must include liabilities owed for credit reduction with your fourth quarter deposit. You may deposit the anticipated extra liability throughout the year, but it isn't due until the due date for the deposit for the fourth quarter, and the associated liability should be recorded as being incurred in the fourth quarter. See the Instructions for Form 940 for more information.*

Successor employer. If you acquired a business from an employer who was liable for FUTA tax, you may be able to count the wages that employer paid to the employees who continue to work for you when you figure the \$7,000 FUTA tax wage base. See the Instructions for Form 940.

Depositing FUTA tax. For deposit purposes, figure FUTA tax quarterly. Determine your FUTA tax liability by multiplying the amount of taxable wages paid during the quarter by 0.6%. Stop depositing FUTA tax on an employee's wages when he or she reaches \$7,000 in taxable wages for the calendar year.

If your FUTA tax liability for any calendar quarter is \$500 or less, you don't have to deposit the tax. Instead, you may carry it forward and add it to the liability figured in the next quarter to see if you must make a deposit. If your FUTA tax liability for any calendar quarter is over \$500 (including any FUTA tax carried forward from an earlier quarter), you must deposit the tax by EFT. See [section 11](#) for more information on EFT.

Household employees. You're not required to deposit FUTA taxes for household employees unless you report their wages on Form 941, 943, or 944. See Pub. 926 for more information.

When to deposit. Deposit the FUTA tax by the last day of the first month that follows the end of the quarter. If the due date for making your deposit falls on a Saturday, Sunday, or legal holiday, you may make your deposit on the next business day. See [Legal holiday](#), earlier, for a list of the legal holidays for 2018.

If your liability for the fourth quarter (plus any undeposited amount from any earlier quarter) is over \$500, deposit the entire amount by the due date of Form 940 (January 31). If it is \$500 or less, you can make a deposit, pay the tax with a credit or debit card, or pay the tax with your 2017 Form 940 by January 31, 2018. If you file Form 940 electronically, you can e-file and use EFW to pay the balance due. For more information on paying your taxes with a credit or debit card or using EFW, go to [IRS.gov/Payments](#).

Table 4. When to Deposit FUTA Taxes

Quarter	Ending	Due Date
Jan.–Feb.–Mar.	Mar. 31	Apr. 30
Apr.–May–June	June 30	July 31
July–Aug.–Sept.	Sept. 30	Oct. 31
Oct.–Nov.–Dec.	Dec. 31	Jan. 31

Reporting FUTA tax. Use Form 940 to report FUTA tax. File your 2017 Form 940 by January 31, 2018. However, if you deposited all FUTA tax when due, you may file on or before February 10, 2018.

Form 940 e-file. The Form 940 e-file program allows a taxpayer to electronically file Form 940 using a computer with an internet connection and commercial tax preparation software. For more information, visit the IRS website at [IRS.gov/EmploymentEfile](#), or call 1-866-255-0654.

Household employees. If you didn't report employment taxes for household employees on Forms 941, 943, or 944, report FUTA tax for these employees on Schedule H (Form 1040). See Pub. 926 for more information. You must have an EIN to file Schedule H (Form 1040).

Electronic filing by reporting agents. Reporting agents filing Forms 940 for groups of taxpayers can file them electronically. See the *Reporting Agent* discussion in section 7 of Pub. 15-A.

Electronic filing by CPEOs. With the exception of the first quarter for which a CPEO is certified, CPEOs are required to electronically file Form 940. Under certain circumstances, the IRS may waive the electronic filing requirement. To request a waiver, the CPEO must file a written request using the IRS Online Registration System for Professional Employer Organizations at least 45 days before the due date of the return for which the CPEO is unable to electronically file. For more information on filing a waiver request electronically, go to [IRS.gov/CPEO](#).

15. Special Rules for Various Types of Services and Payments

Section references are to the Internal Revenue Code unless otherwise noted.

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)	FUTA
Aliens, nonresident.	See Pub. 515 and Pub. 519.		
Aliens, resident:			
1. Service performed in the U.S.	Same as U.S. citizen.	Same as U.S. citizen. (Exempt if any part of service as crew member of foreign vessel or aircraft is performed outside U.S.)	Same as U.S. citizen.
2. Service performed outside the U.S.	Withhold	Taxable if (1) working for an American employer or (2) an American employer by agreement covers U.S. citizens and residents employed by its foreign affiliates.	Exempt unless on or in connection with an American vessel or aircraft and either performed under contract made in U.S., or alien is employed on such vessel or aircraft when it touches U.S. port.
Cafeteria plan benefits under section 125.	If employee chooses cash, subject to all employment taxes. If employee chooses another benefit, the treatment is the same as if the benefit was provided outside the plan. See Pub. 15-B for more information.		
Deceased worker:			
1. Wages paid to beneficiary or estate in same calendar year as worker's death. See the Instructions for Forms W-2 and W-3 for details.	Exempt	Taxable	Taxable
2. Wages paid to beneficiary or estate after calendar year of worker's death.	Exempt	Exempt	Exempt
Dependent care assistance programs.	Exempt to the extent it is reasonable to believe amounts are excludable from gross income under section 129.		
Disabled worker's wages paid after year in which worker became entitled to disability insurance benefits under the Social Security Act.	Withhold	Exempt, if worker didn't perform any service for employer during the period for which payment is made.	Taxable
Employee business expense reimbursement:			
1. Accountable plan.			
a. Amounts not exceeding specified government rate for per diem or standard mileage.	Exempt	Exempt	Exempt
b. Amounts in excess of specified government rate for per diem or standard mileage.	Withhold	Taxable	Taxable
2. Nonaccountable plan. See section 5 for details.	Withhold	Taxable	Taxable
Family employees:			
1. Child employed by parent (or partnership in which each partner is a parent of the child).	Withhold	Exempt until age 18; age 21 for domestic service.	Exempt until age 21
2. Parent employed by child.	Withhold	Taxable if in course of the son's or daughter's business. For domestic services, see section 3 .	Exempt
3. Spouse employed by spouse. See section 3 for more information.	Withhold	Taxable if in course of spouse's business.	Exempt
Fishing and related activities.	See Pub. 334.		
Foreign governments and international organizations.	Exempt	Exempt	Exempt

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)	FUTA
Homeworkers (industrial, cottage industry): 1. Common law employees. 2. Statutory employees. See section 2 for details.	Withhold Exempt	Taxable Taxable if paid \$100 or more in cash in a year.	Taxable Exempt
Hospital employees: 1. Interns. 2. Patients.	Withhold Withhold	Taxable Taxable (Exempt for state or local government hospitals.)	Exempt Exempt
Household employees: 1. Domestic service in private homes. Farmers, see Pub. 51. 2. Domestic service in college clubs, fraternities, and sororities.	Exempt (withhold if both employer and employee agree). Exempt (withhold if both employer and employee agree).	Taxable if paid \$2,100 or more in cash in 2018. Exempt if performed by an individual under age 18 during any portion of the calendar year and isn't the principal occupation of the employee. Exempt if paid to regular student; also exempt if employee is paid less than \$100 in a year by an income-tax-exempt employer.	Taxable if employer paid total cash wages of \$1,000 or more in any quarter in the current or preceding calendar year. Taxable if employer paid total cash wages of \$1,000 or more in any quarter in the current or preceding calendar year.
Insurance for employees: 1. Accident and health insurance premiums under a plan or system for employees and their dependents generally or for a class or classes of employees and their dependents. 2. Group-term life insurance costs. See Pub. 15-B for details.	Exempt (except 2% shareholder-employees of S corporations). Exempt	Exempt Exempt, except for the cost of group-term life insurance includible in the employee's gross income. Special rules apply for former employees.	Exempt Exempt
Insurance agents or solicitors: 1. Full-time life insurance salesperson. 2. Other salesperson of life, casualty, etc., insurance.	Withhold only if employee under common law. See section 2 . Withhold only if employee under common law.	Taxable Taxable only if employee under common law.	Taxable if (1) employee under common law and (2) not paid solely by commissions. Taxable if (1) employee under common law and (2) not paid solely by commissions.
Interest on loans with below-market interest rates (foregone interest and deemed original issue discount).	See Pub. 15-A.		
Leave-sharing plans: Amounts paid to an employee under a leave-sharing plan.	Withhold	Taxable	Taxable
Newspaper carriers and vendors: Newspaper carriers under age 18; newspaper and magazine vendors buying at fixed prices and retaining receipts from sales to customers. See Pub. 15-A for information on statutory nonemployee status.	Exempt (withhold if both employer and employee voluntarily agree).	Exempt	Exempt

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare (including Additional Medicare Tax when wages are paid in excess of \$200,000)	FUTA
Noncash payments:			
1. For household work, agricultural labor, and service not in the course of the employer's trade or business.	Exempt (withhold if both employer and employee voluntarily agree.)	Exempt	Exempt
2. To certain retail commission salespersons ordinarily paid solely on a cash commission basis.	Optional with employer, except to the extent employee's supplemental wages during the year exceed \$1 million.	Taxable	Taxable
Nonprofit organizations.	See Pub. 15-A.		
Officers or shareholders of an S Corporation: Distributions and other payments by an S corporation to a corporate officer or shareholder must be treated as wages to the extent the amounts are reasonable compensation for services to the corporation by an employee. See the Instructions for Form 1120S.	Withhold	Taxable	Taxable
Partners: Payments to general or limited partners of a partnership. See Pub. 541 for partner reporting rules.	Exempt	Exempt	Exempt
Railroads: Payments subject to the Railroad Retirement Act. See Pub. 915 for more details.	Withhold	Exempt	Exempt
Religious exemptions.	See Pub. 15-A and Pub. 517.		
Retirement and pension plans:			
1. Employer contributions to a qualified plan.	Exempt	Exempt	Exempt
2. Elective employee contributions and deferrals to a plan containing a qualified cash or deferred compensation arrangement (for example, 401(k)).	Generally exempt, but see section 402(g) for limitation.	Taxable	Taxable
3. Employer contributions to individual retirement accounts under simplified employee pension plan (SEP).	Generally exempt, but see section 402(g) for salary reduction SEP limitation.	Exempt, except for amounts contributed under a salary reduction SEP agreement.	
4. Employer contributions to section 403(b) annuities.	Generally exempt, but see section 402(g) for limitation.	Taxable if paid through a salary reduction agreement (written or otherwise).	
5. Employee salary reduction contributions to a SIMPLE retirement account.	Exempt	Taxable	Taxable
6. Distributions from qualified retirement and pension plans and section 403(b) annuities. See Pub. 15-A for information on pensions, annuities, and employer contributions to nonqualified deferred compensation arrangements.	Withhold, but recipient may elect exemption on Form W-4P in certain cases; mandatory 20% withholding applies to an eligible rollover distribution that isn't a direct rollover; exempt for direct rollover. See Pub. 15-A.	Exempt	Exempt
7. Employer contributions to a section 457(b) plan.	Generally exempt but see section 402(g) limitation.	Taxable	Taxable
8. Employee salary reduction contributions to a section 457(b) plan.	Generally exempt but see section 402(g) salary reduction limitation.	Taxable	Taxable
Salespersons:			
1. Common law employees.	Withhold	Taxable	Taxable
2. Statutory employees.	Exempt	Taxable	Taxable, except for full-time life insurance sales agents.
3. Statutory nonemployees (qualified real estate agents, direct sellers, and certain companion sitters). See Pub. 15-A for details.	Exempt	Exempt	Exempt

16. Third-Party Payer Arrangements

An employer may outsource some or all of its federal employment tax withholding, reporting and payment obligations. An employer who outsources payroll and related tax duties (that is, withholding, reporting, and paying over social security, Medicare, FUTA, and income taxes) to a third-party payer, generally will remain responsible for those duties, including liability for the taxes. However, see [Certified professional employer organization \(CPEO\)](#), later, for an exception.

If an employer outsources some or all of its payroll responsibilities, the employer should consider the following information.

- The employer remains responsible for federal tax deposits and other federal tax payments even though the employer may forward the tax amounts to the third-party payer to make the deposits and payments. If the third party fails to make the deposits and payments, the IRS may assess penalties and interest on the employer's account. As the employer, you may be liable for all taxes, penalties, and interest due. The employer may also be held personally liable for certain unpaid federal taxes.
- If the employer's account has any issues, the IRS will send correspondence to the employer at the address of record. We strongly recommend that the employer maintain its address as the address of record with the IRS. Having correspondence sent to the address of the third-party payer may significantly limit the employer's ability to be informed about tax matters involving the employer's business.
- When a third party enrolls an employer in the EFTPS for federal tax deposits, the employer will receive an Inquiry PIN. Employers should activate and use this Inquiry PIN to monitor their account and ensure the third party is making the required tax deposits.

The following are common third-party payers who an employer may contract with to perform payroll and related tax duties.

- Payroll service provider (PSP).
- Reporting agent.
- Agent with approved Form 2678.
- Payer designated under section 3504.
- Certified Professional Employer Organization.

Payroll service provider (PSP). A PSP helps administer payroll and payroll-related tax duties on behalf of the employer. A PSP may prepare paychecks for employees, prepare and file employment tax returns, prepare Form W-2, and make federal tax deposits and other federal tax payments. A PSP performs these functions using the EIN of the employer. A PSP isn't liable as either an employer or an agent of the employer for the employer's employ-

ment taxes. If an employer is using a PSP to perform its tax duties, the employer remains liable for its employment tax obligations, including liability for employment taxes.

An employer who uses a PSP should ensure the PSP is using EFTPS to make federal tax deposits on behalf of the employer so the employer can confirm that the payments are being made on its behalf.

Reporting agent. A reporting agent is a type of PSP. A reporting agent helps administer payroll and payroll-related tax duties on behalf of the employer, including authorization to electronically sign and file forms set forth on Form 8655. An employer uses Form 8655 to authorize a reporting agent to perform functions on behalf of the employer. A reporting agent performs these functions using the EIN of the employer. A reporting agent isn't liable as either an employer or an agent of the employer for the employer's employment taxes. If an employer is using a reporting agent to perform its tax duties, the employer remains liable for its employment obligations, including liability for employment taxes.

A reporting agent must use EFTPS to make federal tax deposits on behalf of an employer. The employer has access to EFTPS to confirm federal tax deposits were made on its behalf.

For more information on reporting agents, see Revenue Procedure 2012-32, 2012-34 I.R.B. 267, at [IRS.gov/irb/2012-34_IRB/ar08.html](https://www.irs.gov/irb/2012-34_IRB/ar08.html) and Pub. 1474, Technical Specifications Guide for Reporting Agent Authorization and Federal Tax Depositors.

Agent with an approved Form 2678. An agent with an approved Form 2678 helps administer payroll and related tax duties on behalf of the employer. An agent authorized under section 3504 may pay wages or compensation to some or all of the employees of an employer, prepare and file employment tax returns as set forth on Form 2678, prepare Form W-2, and make federal tax deposits and other federal tax payments. An employer uses Form 2678 to request authorization to appoint an agent to perform functions on behalf of the employer. An agent with an approved Form 2678 is authorized to perform these functions using its own EIN. The agent files a Schedule R (Form 941) to allocate wages and taxes to the employers it represents as an agent.

If an employer is using an agent with an approved Form 2678 to perform its tax duties, the agent and the employer are jointly liable for the employment taxes and related tax duties for which the agent is authorized to perform.

Form 2678 doesn't apply to FUTA taxes reportable on Form 940 unless the employer is a home care service recipient receiving home care services through a program administered by a federal, state, or local government agency.

For more information on an agent with an approved Form 2678, see Revenue Procedure 2013-39, 2013-52 I.R.B. 830, at [IRS.gov/irb/2013-52_IRB/ar15.html](https://www.irs.gov/irb/2013-52_IRB/ar15.html).

Payer designated under section 3504. In certain circumstances, the IRS may designate a third-party payer to perform the acts of an employer. The IRS will designate a third party-payer on behalf of an employer if the third-party

has a service agreement with the employer. A service agreement is an agreement between the third-party payer and an employer in which the third-party payer (1) asserts it is the employer of individuals performing services for the employer; (2) pays wages to the individuals that perform services for the employer; and (3) assumes responsibility to withhold, report, and pay federal employment taxes for the wages it pays to the individuals that perform services for the employer.

A payer designated under section 3504 performs tax duties under the service agreement using its own EIN. If the IRS designates a third-party payer under section 3504, the designated payer and the employer are jointly liable for the employment taxes and related tax duties for which the third-party payer is designated.

For more information on a payer designated under section 3504, see Regulations section 31.3504-2.

Certified professional employer organization (CPEO). The Tax Increase Prevention Act of 2014 required the IRS to establish a voluntary certification program for professional employer organizations (PEOs). PEOs handle various payroll administration and tax reporting responsibilities for their business clients and are typically paid a fee based on payroll costs. To become and remain certified under the certification program, certified professional employer organizations (CPEOs) must meet various requirements described in sections 3511 and 7705 and related published guidance. Certification as a CPEO may affect the employment tax liabilities of both the CPEO and its customers. A CPEO is generally treated as the employer of any individual who performs services for a customer of the CPEO and is covered by a contract described in section 7705(e)(2) between the CPEO and the customer (CPEO contract), but only for wages and other compensation paid to the individual by the CPEO. However, with respect to certain employees covered by a CPEO contract, a customer may also be treated as an employer of the employees and, consequently, may also be liable for federal employment taxes imposed on wages and other compensation paid by the CPEO to such employees. For more information, go to [IRS.gov/CPEO](https://www.irs.gov/CPEO).

17. How To Use the Income Tax Withholding Tables

TIP *Changes made under P.L. 115-97 will affect your employees' tax liability for 2018. The federal income tax withholding methods described in this section are the methods that you should use for 2018. The new withholding tables are designed to work with the Forms W-4 that your employees previously gave you. See [2018 federal income tax withholding](#) and [Exempt Form W-4](#) under What's New for more information. To help employees determine their withholding, the IRS is revising the withholding tax calculator available at [IRS.gov/W4App](https://www.irs.gov/W4App). The IRS anticipates that this calculator will be*

available by the end of February. Encourage your employees to use the withholding calculator to determine if they should give you a new Form W-4 for 2018.

There are several ways to figure income tax withholding. The following methods of withholding are based on the information you get from your employees on Form W-4. You must first reduce the wages you pay your employees by nontaxable wages before figuring the tax to withhold on taxable wages. See [section 5](#) and Pub. 15-B for more information about nontaxable wages. See [section 9](#) for more information on Form W-4.

TIP *Adjustments aren't required when there will be more than the usual number of pay periods, for example, 27 biweekly pay dates instead of 26.*

Wage Bracket Method

Under the wage bracket method, find the proper table (on pages 48–67) for your payroll period and the employee's marital status as shown on his or her Form W-4. Then, based on the number of withholding allowances claimed on the Form W-4 and the amount of taxable wages, find the amount of income tax to withhold. If your employee is claiming more than 10 withholding allowances, see below.

If you can't use the wage bracket tables because taxable wages exceed the amount shown in the last bracket of the table, use the percentage method of withholding described below. Be sure to reduce taxable wages by the amount of total withholding allowances in [Table 5](#) before using the percentage method tables (pages 46–47).

Adjusting wage bracket withholding for employees claiming more than 10 withholding allowances. The wage bracket tables can be used if an employee claims up to 10 allowances. More than 10 allowances may be claimed because of the special withholding allowance, additional allowances for deductions and credits, and the system itself.

Adapt the tables to more than 10 allowances as follows:

1. Multiply the number of withholding allowances over 10 by the allowance value for the payroll period. The allowance values are in [Table 5](#), later.
2. Subtract the result from the employee's taxable wages.
3. On this amount, find and withhold the tax in the column for 10 allowances.

This is a voluntary method. If you use the wage bracket tables, you may continue to withhold the amount in the "10" column when your employee has more than 10 allowances, using the method above. You can also use any other method described next.

Percentage Method

If you don't want to use the wage bracket tables on pages 48–67 to figure how much income tax to withhold, you can

use a percentage computation based on [Table 5](#), later, and the appropriate rate table. This method works for any number of withholding allowances the employee claims and any amount of wages.

Use these steps to figure the income tax to withhold under the percentage method.

1. Multiply one withholding allowance for your payroll period (see [Table 5](#), later) by the number of allowances the employee claims.
2. Subtract that amount from the employee's taxable wages.
3. Determine the amount to withhold from the appropriate table on pages 46–47.

Table 5. Percentage Method—2018 Amount for One Withholding Allowance

Payroll Period	One Withholding Allowance
Weekly	\$ 79.80
Biweekly	159.60
Semimonthly	172.90
Monthly	345.80
Quarterly	1,037.50
Semiannually	2,075.00
Annually	4,150.00
Daily or miscellaneous (each day of the payroll period)	16.00

Example. An unmarried employee is paid \$800 weekly. This employee has in effect a Form W-4 claiming two withholding allowances. Using the percentage method, figure the income tax to withhold as follows:

1.	Total wage payment	\$800.00
2.	One allowance	\$79.80
3.	Allowances claimed on Form W-4	<u>2</u>
4.	Multiply line 2 by line 3	<u>\$159.60</u>
5.	Amount subject to withholding (subtract line 4 from line 1)	\$640.40
6.	Tax to be withheld on \$640.40 from Table 1—single person, page 46	\$64.67

To figure the income tax to withhold, you may reduce the last digit of the wages to zero, or figure the wages to the nearest dollar. You may also round the tax for the pay period to the nearest dollar. If rounding is used, it must be used consistently. Withheld tax amounts should be rounded to the nearest whole dollar by dropping amounts under 50 cents and increasing amounts from 50 to 99 cents to the next dollar. For example, \$2.30 becomes \$2 and \$2.50 becomes \$3. This rounding meets the tolerances under section 3402(h)(4).

Annual income tax withholding. Figure the income tax to withhold on annual wages under the [Percentage Method](#) for an annual payroll period. Then prorate the tax back to the payroll period.

Example. A married person claims four withholding allowances. She is paid \$1,000 a week. Multiply the weekly wages by 52 weeks to figure the annual wage of \$52,000. Subtract \$16,600 (the value of four withholding allowances for 2018) for a balance of \$35,400. Using Table 7(b) on page 47, \$2,481 is withheld. Divide the annual tax by 52. The weekly income tax to withhold is \$47.71.

Alternative Methods of Income Tax Withholding

Rather than the [Wage Bracket Method](#) or [Percentage Method](#) described in this section, you can use an alternative method to withhold income tax. Pub. 15-A describes these alternative methods and contains:

- Formula tables for percentage method withholding (for automated payroll systems),
- Wage bracket percentage method tables (for automated payroll systems), and
- Combined income, social security, and Medicare tax withholding tables.

Some of the alternative methods explained in Pub. 15-A are annualized wages, average estimated wages, cumulative wages, and part-year employment.

Percentage Method Tables for Income Tax Withholding

(For Wages Paid in 2018)

TABLE 1—WEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$71		\$0		Not over \$222		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$71	—\$254	\$0.00 plus 10%	—\$71	\$222	—\$588	\$0.00 plus 10%	—\$222
\$254	—\$815	\$18.30 plus 12%	—\$254	\$588	—\$1,711	\$36.60 plus 12%	—\$588
\$815	—\$1,658	\$85.62 plus 22%	—\$815	\$1,711	—\$3,395	\$171.36 plus 22%	—\$1,711
\$1,658	—\$3,100	\$271.08 plus 24%	—\$1,658	\$3,395	—\$6,280	\$541.84 plus 24%	—\$3,395
\$3,100	—\$3,917	\$617.16 plus 32%	—\$3,100	\$6,280	—\$7,914	\$1,234.24 plus 32%	—\$6,280
\$3,917	—\$9,687	\$878.60 plus 35%	—\$3,917	\$7,914	—\$11,761	\$1,757.12 plus 35%	—\$7,914
\$9,687		\$2,898.10 plus 37%	—\$9,687	\$11,761		\$3,103.57 plus 37%	—\$11,761

TABLE 2—BIWEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$142		\$0		Not over \$444		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$142	—\$509	\$0.00 plus 10%	—\$142	\$444	—\$1,177	\$0.00 plus 10%	—\$444
\$509	—\$1,631	\$36.70 plus 12%	—\$509	\$1,177	—\$3,421	\$73.30 plus 12%	—\$1,177
\$1,631	—\$3,315	\$171.34 plus 22%	—\$1,631	\$3,421	—\$6,790	\$342.58 plus 22%	—\$3,421
\$3,315	—\$6,200	\$541.82 plus 24%	—\$3,315	\$6,790	—\$12,560	\$1,083.76 plus 24%	—\$6,790
\$6,200	—\$7,835	\$1,234.22 plus 32%	—\$6,200	\$12,560	—\$15,829	\$2,468.56 plus 32%	—\$12,560
\$7,835	—\$19,373	\$1,757.42 plus 35%	—\$7,835	\$15,829	—\$23,521	\$3,514.64 plus 35%	—\$15,829
\$19,373		\$5,795.72 plus 37%	—\$19,373	\$23,521		\$6,206.84 plus 37%	—\$23,521

TABLE 3—SEMIMONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$154		\$0		Not over \$481		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$154	—\$551	\$0.00 plus 10%	—\$154	\$481	—\$1,275	\$0.00 plus 10%	—\$481
\$551	—\$1,767	\$39.70 plus 12%	—\$551	\$1,275	—\$3,706	\$79.40 plus 12%	—\$1,275
\$1,767	—\$3,592	\$185.62 plus 22%	—\$1,767	\$3,706	—\$7,356	\$371.12 plus 22%	—\$3,706
\$3,592	—\$6,717	\$587.12 plus 24%	—\$3,592	\$7,356	—\$13,606	\$1,174.12 plus 24%	—\$7,356
\$6,717	—\$8,488	\$1,337.12 plus 32%	—\$6,717	\$13,606	—\$17,148	\$2,674.12 plus 32%	—\$13,606
\$8,488	—\$20,988	\$1,903.84 plus 35%	—\$8,488	\$17,148	—\$25,481	\$3,807.56 plus 35%	—\$17,148
\$20,988		\$6,278.84 plus 37%	—\$20,988	\$25,481		\$6,724.11 plus 37%	—\$25,481

TABLE 4—MONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$308		\$0		Not over \$963		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$308	—\$1,102	\$0.00 plus 10%	—\$308	\$963	—\$2,550	\$0.00 plus 10%	—\$963
\$1,102	—\$3,533	\$79.40 plus 12%	—\$1,102	\$2,550	—\$7,413	\$158.70 plus 12%	—\$2,550
\$3,533	—\$7,183	\$371.12 plus 22%	—\$3,533	\$7,413	—\$14,713	\$742.26 plus 22%	—\$7,413
\$7,183	—\$13,433	\$1,174.12 plus 24%	—\$7,183	\$14,713	—\$27,213	\$2,348.26 plus 24%	—\$14,713
\$13,433	—\$16,975	\$2,674.12 plus 32%	—\$13,433	\$27,213	—\$34,296	\$5,348.26 plus 32%	—\$27,213
\$16,975	—\$41,975	\$3,807.56 plus 35%	—\$16,975	\$34,296	—\$50,963	\$7,614.82 plus 35%	—\$34,296
\$41,975		\$12,557.56 plus 37%	—\$41,975	\$50,963		\$13,448.27 plus 37%	—\$50,963

Percentage Method Tables for Income Tax Withholding (continued)

(For Wages Paid in 2018)

TABLE 5—QUARTERLY Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to withhold is:

Over—	But not over—		of excess over—
Not over \$925		\$0	
\$925	—\$3,306	\$0.00 plus 10%	—\$925
\$3,306	—\$10,600	\$238.10 plus 12%	—\$3,306
\$10,600	—\$21,550	\$1,113.38 plus 22%	—\$10,600
\$21,550	—\$40,300	\$3,522.38 plus 24%	—\$21,550
\$40,300	—\$50,925	\$8,022.38 plus 32%	—\$40,300
\$50,925	—\$125,925	\$11,422.38 plus 35%	—\$50,925
\$125,925		\$37,672.38 plus 37%	—\$125,925

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to withhold is:

Over—	But not over—		of excess over—
Not over \$2,888		\$0	
\$2,888	—\$7,650	\$0.00 plus 10%	—\$2,888
\$7,650	—\$22,238	\$476.20 plus 12%	—\$7,650
\$22,238	—\$44,138	\$2,226.76 plus 22%	—\$22,238
\$44,138	—\$81,638	\$7,044.76 plus 24%	—\$44,138
\$81,638	—\$102,888	\$16,044.76 plus 32%	—\$81,638
\$102,888	—\$152,888	\$22,844.76 plus 35%	—\$102,888
\$152,888		\$40,344.76 plus 37%	—\$152,888

TABLE 6—SEMIANNUAL Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to withhold is:

Over—	But not over—		of excess over—
Not over \$1,850		\$0	
\$1,850	—\$6,613	\$0.00 plus 10%	—\$1,850
\$6,613	—\$21,200	\$476.30 plus 12%	—\$6,613
\$21,200	—\$43,100	\$2,226.74 plus 22%	—\$21,200
\$43,100	—\$80,600	\$7,044.74 plus 24%	—\$43,100
\$80,600	—\$101,850	\$16,044.74 plus 32%	—\$80,600
\$101,850	—\$251,850	\$22,844.74 plus 35%	—\$101,850
\$251,850		\$75,344.74 plus 37%	—\$251,850

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to withhold is:

Over—	But not over—		of excess over—
Not over \$5,775		\$0	
\$5,775	—\$15,300	\$0.00 plus 10%	—\$5,775
\$15,300	—\$44,475	\$952.50 plus 12%	—\$15,300
\$44,475	—\$88,275	\$4,453.50 plus 22%	—\$44,475
\$88,275	—\$163,275	\$14,089.50 plus 24%	—\$88,275
\$163,275	—\$205,775	\$32,089.50 plus 32%	—\$163,275
\$205,775	—\$305,775	\$45,689.50 plus 35%	—\$205,775
\$305,775		\$80,689.50 plus 37%	—\$305,775

TABLE 7—ANNUAL Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to withhold is:

Over—	But not over—		of excess over—
Not over \$3,700		\$0	
\$3,700	—\$13,225	\$0.00 plus 10%	—\$3,700
\$13,225	—\$42,400	\$952.50 plus 12%	—\$13,225
\$42,400	—\$86,200	\$4,453.50 plus 22%	—\$42,400
\$86,200	—\$161,200	\$14,089.50 plus 24%	—\$86,200
\$161,200	—\$203,700	\$32,089.50 plus 32%	—\$161,200
\$203,700	—\$503,700	\$45,689.50 plus 35%	—\$203,700
\$503,700		\$150,689.50 plus 37%	—\$503,700

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to withhold is:

Over—	But not over—		of excess over—
Not over \$11,550		\$0	
\$11,550	—\$30,600	\$0.00 plus 10%	—\$11,550
\$30,600	—\$88,950	\$1,905.00 plus 12%	—\$30,600
\$88,950	—\$176,550	\$8,907.00 plus 22%	—\$88,950
\$176,550	—\$326,550	\$28,179.00 plus 24%	—\$176,550
\$326,550	—\$411,550	\$64,179.00 plus 32%	—\$326,550
\$411,550	—\$611,550	\$91,379.00 plus 35%	—\$411,550
\$611,550		\$161,379.00 plus 37%	—\$611,550

TABLE 8—DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is: The amount of income tax to withhold per day is:

Over—	But not over—		of excess over—
Not over \$14.20		\$0	
\$14.20	—\$50.90	\$0.00 plus 10%	—\$14.20
\$50.90	—\$163.10	\$3.67 plus 12%	—\$50.90
\$163.10	—\$331.50	\$17.13 plus 22%	—\$163.10
\$331.50	—\$620.00	\$54.18 plus 24%	—\$331.50
\$620.00	—\$783.50	\$123.42 plus 32%	—\$620.00
\$783.50	—\$1,937.30	\$175.74 plus 35%	—\$783.50
\$1,937.30		\$579.57 plus 37%	—\$1,937.30

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is: The amount of income tax to withhold per day is:

Over—	But not over—		of excess over—
Not over \$44.40		\$0	
\$44.40	—\$117.70	\$0.00 plus 10%	—\$44.40
\$117.70	—\$342.10	\$7.33 plus 12%	—\$117.70
\$342.10	—\$679.00	\$34.26 plus 22%	—\$342.10
\$679.00	—\$1,256.00	\$108.38 plus 24%	—\$679.00
\$1,256.00	—\$1,582.90	\$246.86 plus 32%	—\$1,256.00
\$1,582.90	—\$2,352.10	\$351.47 plus 35%	—\$1,582.90
\$2,352.10		\$620.69 plus 37%	—\$2,352.10

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—WEEKLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
75	80	1	0	0	0	0	0	0	0	0	0	0
80	85	1	0	0	0	0	0	0	0	0	0	0
85	90	2	0	0	0	0	0	0	0	0	0	0
90	95	2	0	0	0	0	0	0	0	0	0	0
95	100	3	0	0	0	0	0	0	0	0	0	0
100	105	3	0	0	0	0	0	0	0	0	0	0
105	110	4	0	0	0	0	0	0	0	0	0	0
110	115	4	0	0	0	0	0	0	0	0	0	0
115	120	5	0	0	0	0	0	0	0	0	0	0
120	125	5	0	0	0	0	0	0	0	0	0	0
125	130	6	0	0	0	0	0	0	0	0	0	0
130	135	6	0	0	0	0	0	0	0	0	0	0
135	140	7	0	0	0	0	0	0	0	0	0	0
140	145	7	0	0	0	0	0	0	0	0	0	0
145	150	8	0	0	0	0	0	0	0	0	0	0
150	155	8	0	0	0	0	0	0	0	0	0	0
155	160	9	1	0	0	0	0	0	0	0	0	0
160	165	9	1	0	0	0	0	0	0	0	0	0
165	170	10	2	0	0	0	0	0	0	0	0	0
170	175	10	2	0	0	0	0	0	0	0	0	0
175	180	11	3	0	0	0	0	0	0	0	0	0
180	185	11	3	0	0	0	0	0	0	0	0	0
185	190	12	4	0	0	0	0	0	0	0	0	0
190	195	12	4	0	0	0	0	0	0	0	0	0
195	200	13	5	0	0	0	0	0	0	0	0	0
200	210	13	5	0	0	0	0	0	0	0	0	0
210	220	14	6	0	0	0	0	0	0	0	0	0
220	230	15	7	0	0	0	0	0	0	0	0	0
230	240	16	8	0	0	0	0	0	0	0	0	0
240	250	17	9	1	0	0	0	0	0	0	0	0
250	260	18	10	2	0	0	0	0	0	0	0	0
260	270	20	11	3	0	0	0	0	0	0	0	0
270	280	21	12	4	0	0	0	0	0	0	0	0
280	290	22	13	5	0	0	0	0	0	0	0	0
290	300	23	14	6	0	0	0	0	0	0	0	0
300	310	24	15	7	0	0	0	0	0	0	0	0
310	320	26	16	8	0	0	0	0	0	0	0	0
320	330	27	17	9	1	0	0	0	0	0	0	0
330	340	28	18	10	2	0	0	0	0	0	0	0
340	350	29	20	11	3	0	0	0	0	0	0	0
350	360	30	21	12	4	0	0	0	0	0	0	0
360	370	32	22	13	5	0	0	0	0	0	0	0
370	380	33	23	14	6	0	0	0	0	0	0	0
380	390	34	24	15	7	0	0	0	0	0	0	0
390	400	35	26	16	8	0	0	0	0	0	0	0
400	410	36	27	17	9	1	0	0	0	0	0	0
410	420	38	28	18	10	2	0	0	0	0	0	0
420	430	39	29	20	11	3	0	0	0	0	0	0
430	440	40	30	21	12	4	0	0	0	0	0	0
440	450	41	32	22	13	5	0	0	0	0	0	0
450	460	42	33	23	14	6	0	0	0	0	0	0
460	470	44	34	24	15	7	0	0	0	0	0	0
470	480	45	35	26	16	8	0	0	0	0	0	0
480	490	46	36	27	17	9	1	0	0	0	0	0
490	500	47	38	28	18	10	2	0	0	0	0	0
500	510	48	39	29	20	11	3	0	0	0	0	0
510	520	50	40	30	21	12	4	0	0	0	0	0
520	530	51	41	32	22	13	5	0	0	0	0	0
530	540	52	42	33	23	14	6	0	0	0	0	0
540	550	53	44	34	24	15	7	0	0	0	0	0
550	560	54	45	35	26	16	8	1	0	0	0	0
560	570	56	46	36	27	17	9	2	0	0	0	0
570	580	57	47	38	28	18	10	3	0	0	0	0
580	590	58	48	39	29	20	11	4	0	0	0	0
590	600	59	50	40	30	21	12	5	0	0	0	0
600	610	60	51	41	32	22	13	6	0	0	0	0
610	620	62	52	42	33	23	14	7	0	0	0	0
620	630	63	53	44	34	24	15	8	0	0	0	0
630	640	64	54	45	35	26	16	9	1	0	0	0

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—WEEKLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$640	\$650	\$65	\$56	\$46	\$36	\$27	\$17	\$10	\$2	\$0	\$0	\$0
650	660	66	57	47	38	28	19	11	3	0	0	0
660	670	68	58	48	39	29	20	12	4	0	0	0
670	680	69	59	50	40	30	21	13	5	0	0	0
680	690	70	60	51	41	32	22	14	6	0	0	0
690	700	71	62	52	42	33	23	15	7	0	0	0
700	710	72	63	53	44	34	25	16	8	0	0	0
710	720	74	64	54	45	35	26	17	9	1	0	0
720	730	75	65	56	46	36	27	18	10	2	0	0
730	740	76	66	57	47	38	28	19	11	3	0	0
740	750	77	68	58	48	39	29	20	12	4	0	0
750	760	78	69	59	50	40	31	21	13	5	0	0
760	770	80	70	60	51	41	32	22	14	6	0	0
770	780	81	71	62	52	42	33	23	15	7	0	0
780	790	82	72	63	53	44	34	25	16	8	0	0
790	800	83	74	64	54	45	35	26	17	9	1	0
800	810	84	75	65	56	46	37	27	18	10	2	0
810	820	86	76	66	57	47	38	28	19	11	3	0
820	830	88	77	68	58	48	39	29	20	12	4	0
830	840	90	78	69	59	50	40	31	21	13	5	0
840	850	92	80	70	60	51	41	32	22	14	6	0
850	860	94	81	71	62	52	43	33	23	15	7	0
860	870	97	82	72	63	53	44	34	25	16	8	0
870	880	99	83	74	64	54	45	35	26	17	9	1
880	890	101	84	75	65	56	46	37	27	18	10	2
890	900	103	86	76	66	57	47	38	28	19	11	3
900	910	105	88	77	68	58	49	39	29	20	12	4
910	920	108	90	78	69	59	50	40	31	21	13	5
920	930	110	92	80	70	60	51	41	32	22	14	6
930	940	112	94	81	71	62	52	43	33	23	15	7
940	950	114	97	82	72	63	53	44	34	25	16	8
950	960	116	99	83	74	64	55	45	35	26	17	9
960	970	119	101	84	75	65	56	46	37	27	18	10
970	980	121	103	86	76	66	57	47	38	28	19	11
980	990	123	105	88	77	68	58	49	39	29	20	12
990	1,000	125	108	90	78	69	59	50	40	31	21	13
1,000	1,010	127	110	92	80	70	61	51	41	32	22	14
1,010	1,020	130	112	94	81	71	62	52	43	33	23	15
1,020	1,030	132	114	97	82	72	63	53	44	34	25	16
1,030	1,040	134	116	99	83	74	64	55	45	35	26	17
1,040	1,050	136	119	101	84	75	65	56	46	37	27	18
1,050	1,060	138	121	103	86	76	67	57	47	38	28	19
1,060	1,070	141	123	105	88	77	68	58	49	39	29	20
1,070	1,080	143	125	108	90	78	69	59	50	40	31	21
1,080	1,090	145	127	110	92	80	70	61	51	41	32	22
1,090	1,100	147	130	112	94	81	71	62	52	43	33	23
1,100	1,110	149	132	114	97	82	73	63	53	44	34	25
1,110	1,120	152	134	116	99	83	74	64	55	45	35	26
1,120	1,130	154	136	119	101	84	75	65	56	46	37	27
1,130	1,140	156	138	121	103	86	76	67	57	47	38	28
1,140	1,150	158	141	123	105	88	77	68	58	49	39	29
1,150	1,160	160	143	125	108	90	79	69	59	50	40	31
1,160	1,170	163	145	127	110	92	80	70	61	51	41	32
1,170	1,180	165	147	130	112	95	81	71	62	52	43	33
1,180	1,190	167	149	132	114	97	82	73	63	53	44	34
1,190	1,200	169	152	134	116	99	83	74	64	55	45	35
1,200	1,210	171	154	136	119	101	85	75	65	56	46	37
1,210	1,220	174	156	138	121	103	86	76	67	57	47	38
1,220	1,230	176	158	141	123	106	88	77	68	58	49	39
1,230	1,240	178	160	143	125	108	90	79	69	59	50	40
1,240	1,250	180	163	145	127	110	92	80	70	61	51	41
1,250	1,260	182	165	147	130	112	95	81	71	62	52	43
1,260	1,270	185	167	149	132	114	97	82	73	63	53	44
1,270	1,280	187	169	152	134	117	99	83	74	64	55	45
1,280	1,290	189	171	154	136	119	101	85	75	65	56	46

\$1,290 and over

Use Table 1(a) for a SINGLE person on page 46. Also see the instructions on page 44.

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—WEEKLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
225	235	1	0	0	0	0	0	0	0	0	0	0
235	245	2	0	0	0	0	0	0	0	0	0	0
245	255	3	0	0	0	0	0	0	0	0	0	0
255	265	4	0	0	0	0	0	0	0	0	0	0
265	275	5	0	0	0	0	0	0	0	0	0	0
275	285	6	0	0	0	0	0	0	0	0	0	0
285	295	7	0	0	0	0	0	0	0	0	0	0
295	305	8	0	0	0	0	0	0	0	0	0	0
305	315	9	1	0	0	0	0	0	0	0	0	0
315	325	10	2	0	0	0	0	0	0	0	0	0
325	335	11	3	0	0	0	0	0	0	0	0	0
335	345	12	4	0	0	0	0	0	0	0	0	0
345	355	13	5	0	0	0	0	0	0	0	0	0
355	365	14	6	0	0	0	0	0	0	0	0	0
365	375	15	7	0	0	0	0	0	0	0	0	0
375	385	16	8	0	0	0	0	0	0	0	0	0
385	395	17	9	1	0	0	0	0	0	0	0	0
395	405	18	10	2	0	0	0	0	0	0	0	0
405	415	19	11	3	0	0	0	0	0	0	0	0
415	425	20	12	4	0	0	0	0	0	0	0	0
425	435	21	13	5	0	0	0	0	0	0	0	0
435	445	22	14	6	0	0	0	0	0	0	0	0
445	455	23	15	7	0	0	0	0	0	0	0	0
455	465	24	16	8	0	0	0	0	0	0	0	0
465	475	25	17	9	1	0	0	0	0	0	0	0
475	485	26	18	10	2	0	0	0	0	0	0	0
485	495	27	19	11	3	0	0	0	0	0	0	0
495	505	28	20	12	4	0	0	0	0	0	0	0
505	515	29	21	13	5	0	0	0	0	0	0	0
515	525	30	22	14	6	0	0	0	0	0	0	0
525	535	31	23	15	7	0	0	0	0	0	0	0
535	545	32	24	16	8	0	0	0	0	0	0	0
545	555	33	25	17	9	1	0	0	0	0	0	0
555	565	34	26	18	10	2	0	0	0	0	0	0
565	575	35	27	19	11	3	0	0	0	0	0	0
575	585	36	28	20	12	4	0	0	0	0	0	0
585	595	37	29	21	13	5	0	0	0	0	0	0
595	605	38	30	22	14	6	0	0	0	0	0	0
605	615	39	31	23	15	7	0	0	0	0	0	0
615	625	40	32	24	16	8	0	0	0	0	0	0
625	635	42	33	25	17	9	1	0	0	0	0	0
635	645	43	34	26	18	10	2	0	0	0	0	0
645	655	44	35	27	19	11	3	0	0	0	0	0
655	665	45	36	28	20	12	4	0	0	0	0	0
665	675	46	37	29	21	13	5	0	0	0	0	0
675	685	48	38	30	22	14	6	0	0	0	0	0
685	695	49	39	31	23	15	7	0	0	0	0	0
695	705	50	40	32	24	16	8	0	0	0	0	0
705	715	51	42	33	25	17	9	1	0	0	0	0
715	725	52	43	34	26	18	10	2	0	0	0	0
725	735	54	44	35	27	19	11	3	0	0	0	0
735	745	55	45	36	28	20	12	4	0	0	0	0
745	755	56	46	37	29	21	13	5	0	0	0	0
755	765	57	48	38	30	22	14	6	0	0	0	0
765	775	58	49	39	31	23	15	7	0	0	0	0
775	785	60	50	40	32	24	16	8	0	0	0	0
785	795	61	51	42	33	25	17	9	1	0	0	0
795	805	62	52	43	34	26	18	10	2	0	0	0
805	815	63	54	44	35	27	19	11	3	0	0	0
815	825	64	55	45	36	28	20	12	4	0	0	0
825	835	66	56	46	37	29	21	13	5	0	0	0
835	845	67	57	48	38	30	22	14	6	0	0	0
845	855	68	58	49	39	31	23	15	7	0	0	0
855	865	69	60	50	40	32	24	16	8	0	0	0
865	875	70	61	51	42	33	25	17	9	1	0	0
875	885	72	62	52	43	34	26	18	10	2	0	0
885	895	73	63	54	44	35	27	19	11	3	0	0
895	905	74	64	55	45	36	28	20	12	4	0	0
905	915	75	66	56	46	37	29	21	13	5	0	0

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—WEEKLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$915	\$925	\$76	\$67	\$57	\$48	\$38	\$30	\$22	\$14	\$6	\$0	\$0
925	935	78	68	58	49	39	31	23	15	7	0	0
935	945	79	69	60	50	41	32	24	16	8	0	0
945	955	80	70	61	51	42	33	25	17	9	1	0
955	965	81	72	62	52	43	34	26	18	10	2	0
965	975	82	73	63	54	44	35	27	19	11	3	0
975	985	84	74	64	55	45	36	28	20	12	4	0
985	995	85	75	66	56	47	37	29	21	13	5	0
995	1,005	86	76	67	57	48	38	30	22	14	6	0
1,005	1,015	87	78	68	58	49	39	31	23	15	7	0
1,015	1,025	88	79	69	60	50	41	32	24	16	8	0
1,025	1,035	90	80	70	61	51	42	33	25	17	9	1
1,035	1,045	91	81	72	62	53	43	34	26	18	10	2
1,045	1,055	92	82	73	63	54	44	35	27	19	11	3
1,055	1,065	93	84	74	64	55	45	36	28	20	12	4
1,065	1,075	94	85	75	66	56	47	37	29	21	13	5
1,075	1,085	96	86	76	67	57	48	38	30	22	14	6
1,085	1,095	97	87	78	68	59	49	39	31	23	15	7
1,095	1,105	98	88	79	69	60	50	41	32	24	16	8
1,105	1,115	99	90	80	70	61	51	42	33	25	17	9
1,115	1,125	100	91	81	72	62	53	43	34	26	18	10
1,125	1,135	102	92	82	73	63	54	44	35	27	19	11
1,135	1,145	103	93	84	74	65	55	45	36	28	20	12
1,145	1,155	104	94	85	75	66	56	47	37	29	21	13
1,155	1,165	105	96	86	76	67	57	48	38	30	22	14
1,165	1,175	106	97	87	78	68	59	49	39	31	23	15
1,175	1,185	108	98	88	79	69	60	50	41	32	24	16
1,185	1,195	109	99	90	80	71	61	51	42	33	25	17
1,195	1,205	110	100	91	81	72	62	53	43	34	26	18
1,205	1,215	111	102	92	82	73	63	54	44	35	27	19
1,215	1,225	112	103	93	84	74	65	55	45	36	28	20
1,225	1,235	114	104	94	85	75	66	56	47	37	29	21
1,235	1,245	115	105	96	86	77	67	57	48	38	30	22
1,245	1,255	116	106	97	87	78	68	59	49	39	31	23
1,255	1,265	117	108	98	88	79	69	60	50	41	32	24
1,265	1,275	118	109	99	90	80	71	61	51	42	33	25
1,275	1,285	120	110	100	91	81	72	62	53	43	34	26
1,285	1,295	121	111	102	92	83	73	63	54	44	35	27
1,295	1,305	122	112	103	93	84	74	65	55	45	36	28
1,305	1,315	123	114	104	94	85	75	66	56	47	37	29
1,315	1,325	124	115	105	96	86	77	67	57	48	38	30
1,325	1,335	126	116	106	97	87	78	68	59	49	39	31
1,335	1,345	127	117	108	98	89	79	69	60	50	41	32
1,345	1,355	128	118	109	99	90	80	71	61	51	42	33
1,355	1,365	129	120	110	100	91	81	72	62	53	43	34
1,365	1,375	130	121	111	102	92	83	73	63	54	44	35
1,375	1,385	132	122	112	103	93	84	74	65	55	45	36
1,385	1,395	133	123	114	104	95	85	75	66	56	47	37
1,395	1,405	134	124	115	105	96	86	77	67	57	48	38
1,405	1,415	135	126	116	106	97	87	78	68	59	49	39
1,415	1,425	136	127	117	108	98	89	79	69	60	50	41
1,425	1,435	138	128	118	109	99	90	80	71	61	51	42
1,435	1,445	139	129	120	110	101	91	81	72	62	53	43
1,445	1,455	140	130	121	111	102	92	83	73	63	54	44
1,455	1,465	141	132	122	112	103	93	84	74	65	55	45
1,465	1,475	142	133	123	114	104	95	85	75	66	56	47
1,475	1,485	144	134	124	115	105	96	86	77	67	57	48
1,485	1,495	145	135	126	116	107	97	87	78	68	59	49
1,495	1,505	146	136	127	117	108	98	89	79	69	60	50
1,505	1,515	147	138	128	118	109	99	90	80	71	61	51
1,515	1,525	148	139	129	120	110	101	91	81	72	62	53
1,525	1,535	150	140	130	121	111	102	92	83	73	63	54
1,535	1,545	151	141	132	122	113	103	93	84	74	65	55
1,545	1,555	152	142	133	123	114	104	95	85	75	66	56
1,555	1,565	153	144	134	124	115	105	96	86	77	67	57
1,565	1,575	154	145	135	126	116	107	97	87	78	68	59

\$1,575 and over

Use Table 1(b) for a MARRIED person on page 46. Also see the instructions on page 44.

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—BIWEEKLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$145	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
145	150	1	0	0	0	0	0	0	0	0	0	0
150	155	1	0	0	0	0	0	0	0	0	0	0
155	160	2	0	0	0	0	0	0	0	0	0	0
160	165	2	0	0	0	0	0	0	0	0	0	0
165	170	3	0	0	0	0	0	0	0	0	0	0
170	175	3	0	0	0	0	0	0	0	0	0	0
175	180	4	0	0	0	0	0	0	0	0	0	0
180	185	4	0	0	0	0	0	0	0	0	0	0
185	190	5	0	0	0	0	0	0	0	0	0	0
190	195	5	0	0	0	0	0	0	0	0	0	0
195	200	6	0	0	0	0	0	0	0	0	0	0
200	205	6	0	0	0	0	0	0	0	0	0	0
205	210	7	0	0	0	0	0	0	0	0	0	0
210	215	7	0	0	0	0	0	0	0	0	0	0
215	220	8	0	0	0	0	0	0	0	0	0	0
220	225	8	0	0	0	0	0	0	0	0	0	0
225	230	9	0	0	0	0	0	0	0	0	0	0
230	235	9	0	0	0	0	0	0	0	0	0	0
235	240	10	0	0	0	0	0	0	0	0	0	0
240	245	10	0	0	0	0	0	0	0	0	0	0
245	250	11	0	0	0	0	0	0	0	0	0	0
250	260	11	0	0	0	0	0	0	0	0	0	0
260	270	12	0	0	0	0	0	0	0	0	0	0
270	280	13	0	0	0	0	0	0	0	0	0	0
280	290	14	0	0	0	0	0	0	0	0	0	0
290	300	15	0	0	0	0	0	0	0	0	0	0
300	310	16	0	0	0	0	0	0	0	0	0	0
310	320	17	1	0	0	0	0	0	0	0	0	0
320	330	18	2	0	0	0	0	0	0	0	0	0
330	340	19	3	0	0	0	0	0	0	0	0	0
340	350	20	4	0	0	0	0	0	0	0	0	0
350	360	21	5	0	0	0	0	0	0	0	0	0
360	370	22	6	0	0	0	0	0	0	0	0	0
370	380	23	7	0	0	0	0	0	0	0	0	0
380	390	24	8	0	0	0	0	0	0	0	0	0
390	400	25	9	0	0	0	0	0	0	0	0	0
400	410	26	10	0	0	0	0	0	0	0	0	0
410	420	27	11	0	0	0	0	0	0	0	0	0
420	430	28	12	0	0	0	0	0	0	0	0	0
430	440	29	13	0	0	0	0	0	0	0	0	0
440	450	30	14	0	0	0	0	0	0	0	0	0
450	460	31	15	0	0	0	0	0	0	0	0	0
460	470	32	16	0	0	0	0	0	0	0	0	0
470	480	33	17	1	0	0	0	0	0	0	0	0
480	490	34	18	2	0	0	0	0	0	0	0	0
490	500	35	19	3	0	0	0	0	0	0	0	0
500	520	37	21	5	0	0	0	0	0	0	0	0
520	540	39	23	7	0	0	0	0	0	0	0	0
540	560	42	25	9	0	0	0	0	0	0	0	0
560	580	44	27	11	0	0	0	0	0	0	0	0
580	600	46	29	13	0	0	0	0	0	0	0	0
600	620	49	31	15	0	0	0	0	0	0	0	0
620	640	51	33	17	1	0	0	0	0	0	0	0
640	660	54	35	19	3	0	0	0	0	0	0	0
660	680	56	37	21	5	0	0	0	0	0	0	0
680	700	58	39	23	7	0	0	0	0	0	0	0
700	720	61	42	25	9	0	0	0	0	0	0	0
720	740	63	44	27	11	0	0	0	0	0	0	0
740	760	66	46	29	13	0	0	0	0	0	0	0
760	780	68	49	31	15	0	0	0	0	0	0	0
780	800	70	51	33	17	1	0	0	0	0	0	0
800	820	73	54	35	19	3	0	0	0	0	0	0
820	840	75	56	37	21	5	0	0	0	0	0	0
840	860	78	58	39	23	7	0	0	0	0	0	0
860	880	80	61	42	25	9	0	0	0	0	0	0
880	900	82	63	44	27	11	0	0	0	0	0	0
900	920	85	66	46	29	13	0	0	0	0	0	0
920	940	87	68	49	31	15	0	0	0	0	0	0
940	960	90	70	51	33	17	1	0	0	0	0	0

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—BIWEEKLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$960	\$980	\$92	\$73	\$54	\$35	\$19	\$3	\$0	\$0	\$0	\$0	\$0
980	1,000	94	75	56	37	21	5	0	0	0	0	0
1,000	1,020	97	78	58	39	23	7	0	0	0	0	0
1,020	1,040	99	80	61	42	25	9	0	0	0	0	0
1,040	1,060	102	82	63	44	27	11	0	0	0	0	0
1,060	1,080	104	85	66	47	29	13	0	0	0	0	0
1,080	1,100	106	87	68	49	31	15	0	0	0	0	0
1,100	1,120	109	90	70	51	33	17	1	0	0	0	0
1,120	1,140	111	92	73	54	35	19	3	0	0	0	0
1,140	1,160	114	94	75	56	37	21	5	0	0	0	0
1,160	1,180	116	97	78	59	39	23	7	0	0	0	0
1,180	1,200	118	99	80	61	42	25	9	0	0	0	0
1,200	1,220	121	102	82	63	44	27	11	0	0	0	0
1,220	1,240	123	104	85	66	47	29	13	0	0	0	0
1,240	1,260	126	106	87	68	49	31	15	0	0	0	0
1,260	1,280	128	109	90	71	51	33	17	1	0	0	0
1,280	1,300	130	111	92	73	54	35	19	3	0	0	0
1,300	1,320	133	114	94	75	56	37	21	5	0	0	0
1,320	1,340	135	116	97	78	59	39	23	7	0	0	0
1,340	1,360	138	118	99	80	61	42	25	9	0	0	0
1,360	1,380	140	121	102	83	63	44	27	11	0	0	0
1,380	1,400	142	123	104	85	66	47	29	13	0	0	0
1,400	1,420	145	126	106	87	68	49	31	15	0	0	0
1,420	1,440	147	128	109	90	71	51	33	17	1	0	0
1,440	1,460	150	130	111	92	73	54	35	19	3	0	0
1,460	1,480	152	133	114	95	75	56	37	21	5	0	0
1,480	1,500	154	135	116	97	78	59	39	23	7	0	0
1,500	1,520	157	138	118	99	80	61	42	25	9	0	0
1,520	1,540	159	140	121	102	83	63	44	27	11	0	0
1,540	1,560	162	142	123	104	85	66	47	29	13	0	0
1,560	1,580	164	145	126	107	87	68	49	31	15	0	0
1,580	1,600	166	147	128	109	90	71	51	33	17	1	0
1,600	1,620	169	150	130	111	92	73	54	35	19	3	0
1,620	1,640	171	152	133	114	95	75	56	37	21	5	0
1,640	1,660	176	154	135	116	97	78	59	40	23	7	0
1,660	1,680	180	157	138	119	99	80	61	42	25	9	0
1,680	1,700	184	159	140	121	102	83	63	44	27	11	0
1,700	1,720	189	162	142	123	104	85	66	47	29	13	0
1,720	1,740	193	164	145	126	107	87	68	49	31	15	0
1,740	1,760	198	166	147	128	109	90	71	52	33	17	1
1,760	1,780	202	169	150	131	111	92	73	54	35	19	3
1,780	1,800	206	171	152	133	114	95	75	56	37	21	5
1,800	1,820	211	176	154	135	116	97	78	59	40	23	7
1,820	1,840	215	180	157	138	119	99	80	61	42	25	9
1,840	1,860	220	184	159	140	121	102	83	64	44	27	11
1,860	1,880	224	189	162	143	123	104	85	66	47	29	13
1,880	1,900	228	193	164	145	126	107	87	68	49	31	15
1,900	1,920	233	198	166	147	128	109	90	71	52	33	17
1,920	1,940	237	202	169	150	131	111	92	73	54	35	19
1,940	1,960	242	206	171	152	133	114	95	76	56	37	21
1,960	1,980	246	211	176	155	135	116	97	78	59	40	23
1,980	2,000	250	215	180	157	138	119	99	80	61	42	25
2,000	2,020	255	220	184	159	140	121	102	83	64	44	27
2,020	2,040	259	224	189	162	143	123	104	85	66	47	29
2,040	2,060	264	228	193	164	145	126	107	88	68	49	31
2,060	2,080	268	233	198	167	147	128	109	90	71	52	33
2,080	2,100	272	237	202	169	150	131	111	92	73	54	35
2,100	2,120	277	242	206	171	152	133	114	95	76	56	37
2,120	2,140	281	246	211	176	155	135	116	97	78	59	40
2,140	2,160	286	250	215	180	157	138	119	100	80	61	42
2,160	2,180	290	255	220	185	159	140	121	102	83	64	44
2,180	2,200	294	259	224	189	162	143	123	104	85	66	47
2,200	2,220	299	264	228	193	164	145	126	107	88	68	49
2,220	2,240	303	268	233	198	167	147	128	109	90	71	52
2,240	2,260	308	272	237	202	169	150	131	112	92	73	54

\$2,260 and over

Use Table 2(a) for a SINGLE person on page 46. Also see the instructions on page 44.

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—BIWEEKLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$445	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
445	455	1	0	0	0	0	0	0	0	0	0	0
455	465	2	0	0	0	0	0	0	0	0	0	0
465	475	3	0	0	0	0	0	0	0	0	0	0
475	485	4	0	0	0	0	0	0	0	0	0	0
485	495	5	0	0	0	0	0	0	0	0	0	0
495	505	6	0	0	0	0	0	0	0	0	0	0
505	525	7	0	0	0	0	0	0	0	0	0	0
525	545	9	0	0	0	0	0	0	0	0	0	0
545	565	11	0	0	0	0	0	0	0	0	0	0
565	585	13	0	0	0	0	0	0	0	0	0	0
585	605	15	0	0	0	0	0	0	0	0	0	0
605	625	17	1	0	0	0	0	0	0	0	0	0
625	645	19	3	0	0	0	0	0	0	0	0	0
645	665	21	5	0	0	0	0	0	0	0	0	0
665	685	23	7	0	0	0	0	0	0	0	0	0
685	705	25	9	0	0	0	0	0	0	0	0	0
705	725	27	11	0	0	0	0	0	0	0	0	0
725	745	29	13	0	0	0	0	0	0	0	0	0
745	765	31	15	0	0	0	0	0	0	0	0	0
765	785	33	17	1	0	0	0	0	0	0	0	0
785	805	35	19	3	0	0	0	0	0	0	0	0
805	825	37	21	5	0	0	0	0	0	0	0	0
825	845	39	23	7	0	0	0	0	0	0	0	0
845	865	41	25	9	0	0	0	0	0	0	0	0
865	885	43	27	11	0	0	0	0	0	0	0	0
885	905	45	29	13	0	0	0	0	0	0	0	0
905	925	47	31	15	0	0	0	0	0	0	0	0
925	945	49	33	17	1	0	0	0	0	0	0	0
945	965	51	35	19	3	0	0	0	0	0	0	0
965	985	53	37	21	5	0	0	0	0	0	0	0
985	1,005	55	39	23	7	0	0	0	0	0	0	0
1,005	1,025	57	41	25	9	0	0	0	0	0	0	0
1,025	1,045	59	43	27	11	0	0	0	0	0	0	0
1,045	1,065	61	45	29	13	0	0	0	0	0	0	0
1,065	1,085	63	47	31	15	0	0	0	0	0	0	0
1,085	1,105	65	49	33	17	1	0	0	0	0	0	0
1,105	1,125	67	51	35	19	3	0	0	0	0	0	0
1,125	1,145	69	53	37	21	5	0	0	0	0	0	0
1,145	1,165	71	55	39	23	7	0	0	0	0	0	0
1,165	1,185	73	57	41	25	9	0	0	0	0	0	0
1,185	1,205	75	59	43	27	11	0	0	0	0	0	0
1,205	1,225	78	61	45	29	13	0	0	0	0	0	0
1,225	1,245	80	63	47	31	15	0	0	0	0	0	0
1,245	1,265	83	65	49	33	17	1	0	0	0	0	0
1,265	1,285	85	67	51	35	19	3	0	0	0	0	0
1,285	1,305	87	69	53	37	21	5	0	0	0	0	0
1,305	1,325	90	71	55	39	23	7	0	0	0	0	0
1,325	1,345	92	73	57	41	25	9	0	0	0	0	0
1,345	1,365	95	75	59	43	27	11	0	0	0	0	0
1,365	1,385	97	78	61	45	29	13	0	0	0	0	0
1,385	1,405	99	80	63	47	31	15	0	0	0	0	0
1,405	1,425	102	83	65	49	33	17	1	0	0	0	0
1,425	1,445	104	85	67	51	35	19	3	0	0	0	0
1,445	1,465	107	87	69	53	37	21	5	0	0	0	0
1,465	1,485	109	90	71	55	39	23	7	0	0	0	0
1,485	1,505	111	92	73	57	41	25	9	0	0	0	0
1,505	1,525	114	95	76	59	43	27	11	0	0	0	0
1,525	1,545	116	97	78	61	45	29	13	0	0	0	0
1,545	1,565	119	99	80	63	47	31	15	0	0	0	0
1,565	1,585	121	102	83	65	49	33	17	1	0	0	0
1,585	1,605	123	104	85	67	51	35	19	3	0	0	0
1,605	1,625	126	107	88	69	53	37	21	5	0	0	0
1,625	1,645	128	109	90	71	55	39	23	7	0	0	0
1,645	1,665	131	111	92	73	57	41	25	9	0	0	0
1,665	1,685	133	114	95	76	59	43	27	11	0	0	0
1,685	1,705	135	116	97	78	61	45	29	13	0	0	0
1,705	1,725	138	119	100	80	63	47	31	15	0	0	0
1,725	1,745	140	121	102	83	65	49	33	17	1	0	0
1,745	1,765	143	123	104	85	67	51	35	19	3	0	0

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—BIWEEKLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$1,765	\$1,785	\$145	\$126	\$107	\$88	\$69	\$53	\$37	\$21	\$5	\$0	\$0
1,785	1,805	147	128	109	90	71	55	39	23	7	0	0
1,805	1,825	150	131	112	92	73	57	41	25	9	0	0
1,825	1,845	152	133	114	95	76	59	43	27	11	0	0
1,845	1,865	155	135	116	97	78	61	45	29	13	0	0
1,865	1,885	157	138	119	100	80	63	47	31	15	0	0
1,885	1,905	159	140	121	102	83	65	49	33	17	1	0
1,905	1,925	162	143	124	104	85	67	51	35	19	3	0
1,925	1,945	164	145	126	107	88	69	53	37	21	5	0
1,945	1,965	167	147	128	109	90	71	55	39	23	7	0
1,965	1,985	169	150	131	112	92	73	57	41	25	9	0
1,985	2,005	171	152	133	114	95	76	59	43	27	11	0
2,005	2,025	174	155	136	116	97	78	61	45	29	13	0
2,025	2,045	176	157	138	119	100	80	63	47	31	15	0
2,045	2,065	179	159	140	121	102	83	65	49	33	17	1
2,065	2,085	181	162	143	124	104	85	67	51	35	19	3
2,085	2,105	183	164	145	126	107	88	69	53	37	21	5
2,105	2,125	186	167	148	128	109	90	71	55	39	23	7
2,125	2,145	188	169	150	131	112	92	73	57	41	25	9
2,145	2,165	191	171	152	133	114	95	76	59	43	27	11
2,165	2,185	193	174	155	136	116	97	78	61	45	29	13
2,185	2,205	195	176	157	138	119	100	81	63	47	31	15
2,205	2,225	198	179	160	140	121	102	83	65	49	33	17
2,225	2,245	200	181	162	143	124	104	85	67	51	35	19
2,245	2,265	203	183	164	145	126	107	88	69	53	37	21
2,265	2,285	205	186	167	148	128	109	90	71	55	39	23
2,285	2,305	207	188	169	150	131	112	93	73	57	41	25
2,305	2,325	210	191	172	152	133	114	95	76	59	43	27
2,325	2,345	212	193	174	155	136	116	97	78	61	45	29
2,345	2,365	215	195	176	157	138	119	100	81	63	47	31
2,365	2,385	217	198	179	160	140	121	102	83	65	49	33
2,385	2,405	219	200	181	162	143	124	105	85	67	51	35
2,405	2,425	222	203	184	164	145	126	107	88	69	53	37
2,425	2,445	224	205	186	167	148	128	109	90	71	55	39
2,445	2,465	227	207	188	169	150	131	112	93	73	57	41
2,465	2,485	229	210	191	172	152	133	114	95	76	59	43
2,485	2,505	231	212	193	174	155	136	117	97	78	61	45
2,505	2,525	234	215	196	176	157	138	119	100	81	63	47
2,525	2,545	236	217	198	179	160	140	121	102	83	65	49
2,545	2,565	239	219	200	181	162	143	124	105	85	67	51
2,565	2,585	241	222	203	184	164	145	126	107	88	69	53
2,585	2,605	243	224	205	186	167	148	129	109	90	71	55
2,605	2,625	246	227	208	188	169	150	131	112	93	73	57
2,625	2,645	248	229	210	191	172	152	133	114	95	76	59
2,645	2,665	251	231	212	193	174	155	136	117	97	78	61
2,665	2,685	253	234	215	196	176	157	138	119	100	81	63
2,685	2,705	255	236	217	198	179	160	141	121	102	83	65
2,705	2,725	258	239	220	200	181	162	143	124	105	85	67
2,725	2,745	260	241	222	203	184	164	145	126	107	88	69
2,745	2,765	263	243	224	205	186	167	148	129	109	90	71
2,765	2,785	265	246	227	208	188	169	150	131	112	93	74
2,785	2,805	267	248	229	210	191	172	153	133	114	95	76
2,805	2,825	270	251	232	212	193	174	155	136	117	97	78
2,825	2,845	272	253	234	215	196	176	157	138	119	100	81
2,845	2,865	275	255	236	217	198	179	160	141	121	102	83
2,865	2,885	277	258	239	220	200	181	162	143	124	105	86
2,885	2,905	279	260	241	222	203	184	165	145	126	107	88
2,905	2,925	282	263	244	224	205	186	167	148	129	109	90
2,925	2,945	284	265	246	227	208	188	169	150	131	112	93
2,945	2,965	287	267	248	229	210	191	172	153	133	114	95
2,965	2,985	289	270	251	232	212	193	174	155	136	117	98
2,985	3,005	291	272	253	234	215	196	177	157	138	119	100
3,005	3,025	294	275	256	236	217	198	179	160	141	121	102
3,025	3,045	296	277	258	239	220	200	181	162	143	124	105
3,045	3,065	299	279	260	241	222	203	184	165	145	126	107
3,065	3,085	301	282	263	244	224	205	186	167	148	129	110

\$3,085 and over

Use Table 2(b) for a MARRIED person on page 46. Also see the instructions on page 44.

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—SEMIMONTHLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$160	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
160	165	1	0	0	0	0	0	0	0	0	0	0
165	170	1	0	0	0	0	0	0	0	0	0	0
170	175	2	0	0	0	0	0	0	0	0	0	0
175	180	2	0	0	0	0	0	0	0	0	0	0
180	185	3	0	0	0	0	0	0	0	0	0	0
185	190	3	0	0	0	0	0	0	0	0	0	0
190	195	4	0	0	0	0	0	0	0	0	0	0
195	200	4	0	0	0	0	0	0	0	0	0	0
200	205	5	0	0	0	0	0	0	0	0	0	0
205	210	5	0	0	0	0	0	0	0	0	0	0
210	215	6	0	0	0	0	0	0	0	0	0	0
215	220	6	0	0	0	0	0	0	0	0	0	0
220	225	7	0	0	0	0	0	0	0	0	0	0
225	230	7	0	0	0	0	0	0	0	0	0	0
230	235	8	0	0	0	0	0	0	0	0	0	0
235	240	8	0	0	0	0	0	0	0	0	0	0
240	245	9	0	0	0	0	0	0	0	0	0	0
245	250	9	0	0	0	0	0	0	0	0	0	0
250	260	10	0	0	0	0	0	0	0	0	0	0
260	270	11	0	0	0	0	0	0	0	0	0	0
270	280	12	0	0	0	0	0	0	0	0	0	0
280	290	13	0	0	0	0	0	0	0	0	0	0
290	300	14	0	0	0	0	0	0	0	0	0	0
300	310	15	0	0	0	0	0	0	0	0	0	0
310	320	16	0	0	0	0	0	0	0	0	0	0
320	330	17	0	0	0	0	0	0	0	0	0	0
330	340	18	1	0	0	0	0	0	0	0	0	0
340	350	19	2	0	0	0	0	0	0	0	0	0
350	360	20	3	0	0	0	0	0	0	0	0	0
360	370	21	4	0	0	0	0	0	0	0	0	0
370	380	22	5	0	0	0	0	0	0	0	0	0
380	390	23	6	0	0	0	0	0	0	0	0	0
390	400	24	7	0	0	0	0	0	0	0	0	0
400	410	25	8	0	0	0	0	0	0	0	0	0
410	420	26	9	0	0	0	0	0	0	0	0	0
420	430	27	10	0	0	0	0	0	0	0	0	0
430	440	28	11	0	0	0	0	0	0	0	0	0
440	450	29	12	0	0	0	0	0	0	0	0	0
450	460	30	13	0	0	0	0	0	0	0	0	0
460	470	31	14	0	0	0	0	0	0	0	0	0
470	480	32	15	0	0	0	0	0	0	0	0	0
480	490	33	16	0	0	0	0	0	0	0	0	0
490	500	34	17	0	0	0	0	0	0	0	0	0
500	520	36	18	1	0	0	0	0	0	0	0	0
520	540	38	20	3	0	0	0	0	0	0	0	0
540	560	40	22	5	0	0	0	0	0	0	0	0
560	580	42	24	7	0	0	0	0	0	0	0	0
580	600	44	26	9	0	0	0	0	0	0	0	0
600	620	47	28	11	0	0	0	0	0	0	0	0
620	640	49	30	13	0	0	0	0	0	0	0	0
640	660	52	32	15	0	0	0	0	0	0	0	0
660	680	54	34	17	0	0	0	0	0	0	0	0
680	700	56	36	19	2	0	0	0	0	0	0	0
700	720	59	38	21	4	0	0	0	0	0	0	0
720	740	61	40	23	6	0	0	0	0	0	0	0
740	760	64	43	25	8	0	0	0	0	0	0	0
760	780	66	45	27	10	0	0	0	0	0	0	0
780	800	68	48	29	12	0	0	0	0	0	0	0
800	820	71	50	31	14	0	0	0	0	0	0	0
820	840	73	52	33	16	0	0	0	0	0	0	0
840	860	76	55	35	18	0	0	0	0	0	0	0
860	880	78	57	37	20	2	0	0	0	0	0	0
880	900	80	60	39	22	4	0	0	0	0	0	0
900	920	83	62	41	24	6	0	0	0	0	0	0
920	940	85	64	44	26	8	0	0	0	0	0	0
940	960	88	67	46	28	10	0	0	0	0	0	0
960	980	90	69	48	30	12	0	0	0	0	0	0
980	1,000	92	72	51	32	14	0	0	0	0	0	0
1,000	1,020	95	74	53	34	16	0	0	0	0	0	0

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—SEMIMONTHLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$1,020	\$1,040	\$97	\$76	\$56	\$36	\$18	\$1	\$0	\$0	\$0	\$0	\$0
1,040	1,060	100	79	58	38	20	3	0	0	0	0	0
1,060	1,080	102	81	60	40	22	5	0	0	0	0	0
1,080	1,100	104	84	63	42	24	7	0	0	0	0	0
1,100	1,120	107	86	65	45	26	9	0	0	0	0	0
1,120	1,140	109	88	68	47	28	11	0	0	0	0	0
1,140	1,160	112	91	70	49	30	13	0	0	0	0	0
1,160	1,180	114	93	72	52	32	15	0	0	0	0	0
1,180	1,200	116	96	75	54	34	17	0	0	0	0	0
1,200	1,220	119	98	77	57	36	19	2	0	0	0	0
1,220	1,240	121	100	80	59	38	21	4	0	0	0	0
1,240	1,260	124	103	82	61	41	23	6	0	0	0	0
1,260	1,280	126	105	84	64	43	25	8	0	0	0	0
1,280	1,300	128	108	87	66	45	27	10	0	0	0	0
1,300	1,320	131	110	89	69	48	29	12	0	0	0	0
1,320	1,340	133	112	92	71	50	31	14	0	0	0	0
1,340	1,360	136	115	94	73	53	33	16	0	0	0	0
1,360	1,380	138	117	96	76	55	35	18	1	0	0	0
1,380	1,400	140	120	99	78	57	37	20	3	0	0	0
1,400	1,420	143	122	101	81	60	39	22	5	0	0	0
1,420	1,440	145	124	104	83	62	41	24	7	0	0	0
1,440	1,460	148	127	106	85	65	44	26	9	0	0	0
1,460	1,480	150	129	108	88	67	46	28	11	0	0	0
1,480	1,500	152	132	111	90	69	49	30	13	0	0	0
1,500	1,520	155	134	113	93	72	51	32	15	0	0	0
1,520	1,540	157	136	116	95	74	53	34	17	0	0	0
1,540	1,560	160	139	118	97	77	56	36	19	1	0	0
1,560	1,580	162	141	120	100	79	58	38	21	3	0	0
1,580	1,600	164	144	123	102	81	61	40	23	5	0	0
1,600	1,620	167	146	125	105	84	63	42	25	7	0	0
1,620	1,640	169	148	128	107	86	65	45	27	9	0	0
1,640	1,660	172	151	130	109	89	68	47	29	11	0	0
1,660	1,680	174	153	132	112	91	70	49	31	13	0	0
1,680	1,700	176	156	135	114	93	73	52	33	15	0	0
1,700	1,720	179	158	137	117	96	75	54	35	17	0	0
1,720	1,740	181	160	140	119	98	77	57	37	19	2	0
1,740	1,760	184	163	142	121	101	80	59	39	21	4	0
1,760	1,780	186	165	144	124	103	82	61	41	23	6	0
1,780	1,800	191	168	147	126	105	85	64	43	25	8	0
1,800	1,820	195	170	149	129	108	87	66	46	27	10	0
1,820	1,840	199	172	152	131	110	89	69	48	29	12	0
1,840	1,860	204	175	154	133	113	92	71	50	31	14	0
1,860	1,880	208	177	156	136	115	94	73	53	33	16	0
1,880	1,900	213	180	159	138	117	97	76	55	35	18	1
1,900	1,920	217	182	161	141	120	99	78	58	37	20	3
1,920	1,940	221	184	164	143	122	101	81	60	39	22	5
1,940	1,960	226	188	166	145	125	104	83	62	42	24	7
1,960	1,980	230	192	168	148	127	106	85	65	44	26	9
1,980	2,000	235	197	171	150	129	109	88	67	46	28	11
2,000	2,020	239	201	173	153	132	111	90	70	49	30	13
2,020	2,040	243	205	176	155	134	113	93	72	51	32	15
2,040	2,060	248	210	178	157	137	116	95	74	54	34	17
2,060	2,080	252	214	180	160	139	118	97	77	56	36	19
2,080	2,100	257	219	183	162	141	121	100	79	58	38	21
2,100	2,120	261	223	185	165	144	123	102	82	61	40	23
2,120	2,140	265	227	189	167	146	125	105	84	63	42	25
2,140	2,160	270	232	194	169	149	128	107	86	66	45	27
2,160	2,180	274	236	198	172	151	130	109	89	68	47	29
2,180	2,200	279	241	203	174	153	133	112	91	70	50	31
2,200	2,220	283	245	207	177	156	135	114	94	73	52	33
2,220	2,240	287	249	211	179	158	137	117	96	75	54	35
2,240	2,260	292	254	216	181	161	140	119	98	78	57	37
2,260	2,280	296	258	220	184	163	142	121	101	80	59	39
2,280	2,300	301	263	225	187	165	145	124	103	82	62	41
2,300	2,320	305	267	229	191	168	147	126	106	85	64	43

\$2,320 and over

Use Table 3(a) for a SINGLE person on page 46. Also see the instructions on page 44.

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—SEMIMONTHLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$485	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
485	495	1	0	0	0	0	0	0	0	0	0	0
495	505	2	0	0	0	0	0	0	0	0	0	0
505	525	3	0	0	0	0	0	0	0	0	0	0
525	545	5	0	0	0	0	0	0	0	0	0	0
545	565	7	0	0	0	0	0	0	0	0	0	0
565	585	9	0	0	0	0	0	0	0	0	0	0
585	605	11	0	0	0	0	0	0	0	0	0	0
605	625	13	0	0	0	0	0	0	0	0	0	0
625	645	15	0	0	0	0	0	0	0	0	0	0
645	665	17	0	0	0	0	0	0	0	0	0	0
665	685	19	2	0	0	0	0	0	0	0	0	0
685	705	21	4	0	0	0	0	0	0	0	0	0
705	725	23	6	0	0	0	0	0	0	0	0	0
725	745	25	8	0	0	0	0	0	0	0	0	0
745	765	27	10	0	0	0	0	0	0	0	0	0
765	785	29	12	0	0	0	0	0	0	0	0	0
785	805	31	14	0	0	0	0	0	0	0	0	0
805	825	33	16	0	0	0	0	0	0	0	0	0
825	845	35	18	1	0	0	0	0	0	0	0	0
845	865	37	20	3	0	0	0	0	0	0	0	0
865	885	39	22	5	0	0	0	0	0	0	0	0
885	905	41	24	7	0	0	0	0	0	0	0	0
905	925	43	26	9	0	0	0	0	0	0	0	0
925	945	45	28	11	0	0	0	0	0	0	0	0
945	965	47	30	13	0	0	0	0	0	0	0	0
965	985	49	32	15	0	0	0	0	0	0	0	0
985	1,005	51	34	17	0	0	0	0	0	0	0	0
1,005	1,025	53	36	19	2	0	0	0	0	0	0	0
1,025	1,045	55	38	21	4	0	0	0	0	0	0	0
1,045	1,065	57	40	23	6	0	0	0	0	0	0	0
1,065	1,085	59	42	25	8	0	0	0	0	0	0	0
1,085	1,105	61	44	27	10	0	0	0	0	0	0	0
1,105	1,125	63	46	29	12	0	0	0	0	0	0	0
1,125	1,145	65	48	31	14	0	0	0	0	0	0	0
1,145	1,165	67	50	33	16	0	0	0	0	0	0	0
1,165	1,185	69	52	35	18	0	0	0	0	0	0	0
1,185	1,205	71	54	37	20	2	0	0	0	0	0	0
1,205	1,225	73	56	39	22	4	0	0	0	0	0	0
1,225	1,245	75	58	41	24	6	0	0	0	0	0	0
1,245	1,265	77	60	43	26	8	0	0	0	0	0	0
1,265	1,285	79	62	45	28	10	0	0	0	0	0	0
1,285	1,305	82	64	47	30	12	0	0	0	0	0	0
1,305	1,325	84	66	49	32	14	0	0	0	0	0	0
1,325	1,345	87	68	51	34	16	0	0	0	0	0	0
1,345	1,365	89	70	53	36	18	1	0	0	0	0	0
1,365	1,385	91	72	55	38	20	3	0	0	0	0	0
1,385	1,405	94	74	57	40	22	5	0	0	0	0	0
1,405	1,425	96	76	59	42	24	7	0	0	0	0	0
1,425	1,445	99	78	61	44	26	9	0	0	0	0	0
1,445	1,465	101	80	63	46	28	11	0	0	0	0	0
1,465	1,485	103	83	65	48	30	13	0	0	0	0	0
1,485	1,505	106	85	67	50	32	15	0	0	0	0	0
1,505	1,525	108	87	69	52	34	17	0	0	0	0	0
1,525	1,545	111	90	71	54	36	19	2	0	0	0	0
1,545	1,565	113	92	73	56	38	21	4	0	0	0	0
1,565	1,585	115	95	75	58	40	23	6	0	0	0	0
1,585	1,605	118	97	77	60	42	25	8	0	0	0	0
1,605	1,625	120	99	79	62	44	27	10	0	0	0	0
1,625	1,645	123	102	81	64	46	29	12	0	0	0	0
1,645	1,665	125	104	83	66	48	31	14	0	0	0	0
1,665	1,685	127	107	86	68	50	33	16	0	0	0	0
1,685	1,705	130	109	88	70	52	35	18	0	0	0	0
1,705	1,725	132	111	91	72	54	37	20	2	0	0	0
1,725	1,745	135	114	93	74	56	39	22	4	0	0	0
1,745	1,765	137	116	95	76	58	41	24	6	0	0	0
1,765	1,785	139	119	98	78	60	43	26	8	0	0	0
1,785	1,805	142	121	100	80	62	45	28	10	0	0	0
1,805	1,825	144	123	103	82	64	47	30	12	0	0	0
1,825	1,845	147	126	105	84	66	49	32	14	0	0	0

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—SEMIMONTHLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$1,845	\$1,865	\$149	\$128	\$107	\$87	\$68	\$51	\$34	\$16	\$0	\$0	\$0
1,865	1,885	151	131	110	89	70	53	36	18	1	0	0
1,885	1,905	154	133	112	92	72	55	38	20	3	0	0
1,905	1,925	156	135	115	94	74	57	40	22	5	0	0
1,925	1,945	159	138	117	96	76	59	42	24	7	0	0
1,945	1,965	161	140	119	99	78	61	44	26	9	0	0
1,965	1,985	163	143	122	101	80	63	46	28	11	0	0
1,985	2,005	166	145	124	104	83	65	48	30	13	0	0
2,005	2,025	168	147	127	106	85	67	50	32	15	0	0
2,025	2,045	171	150	129	108	88	69	52	34	17	0	0
2,045	2,065	173	152	131	111	90	71	54	36	19	2	0
2,065	2,085	175	155	134	113	92	73	56	38	21	4	0
2,085	2,105	178	157	136	116	95	75	58	40	23	6	0
2,105	2,125	180	159	139	118	97	77	60	42	25	8	0
2,125	2,145	183	162	141	120	100	79	62	44	27	10	0
2,145	2,165	185	164	143	123	102	81	64	46	29	12	0
2,165	2,185	187	167	146	125	104	84	66	48	31	14	0
2,185	2,205	190	169	148	128	107	86	68	50	33	16	0
2,205	2,225	192	171	151	130	109	88	70	52	35	18	0
2,225	2,245	195	174	153	132	112	91	72	54	37	20	2
2,245	2,265	197	176	155	135	114	93	74	56	39	22	4
2,265	2,285	199	179	158	137	116	96	76	58	41	24	6
2,285	2,305	202	181	160	140	119	98	78	60	43	26	8
2,305	2,325	204	183	163	142	121	100	80	62	45	28	10
2,325	2,345	207	186	165	144	124	103	82	64	47	30	12
2,345	2,365	209	188	167	147	126	105	84	66	49	32	14
2,365	2,385	211	191	170	149	128	108	87	68	51	34	16
2,385	2,405	214	193	172	152	131	110	89	70	53	36	18
2,405	2,425	216	195	175	154	133	112	92	72	55	38	20
2,425	2,445	219	198	177	156	136	115	94	74	57	40	22
2,445	2,465	221	200	179	159	138	117	96	76	59	42	24
2,465	2,485	223	203	182	161	140	120	99	78	61	44	26
2,485	2,505	226	205	184	164	143	122	101	81	63	46	28
2,505	2,525	228	207	187	166	145	124	104	83	65	48	30
2,525	2,545	231	210	189	168	148	127	106	85	67	50	32
2,545	2,565	233	212	191	171	150	129	108	88	69	52	34
2,565	2,585	235	215	194	173	152	132	111	90	71	54	36
2,585	2,605	238	217	196	176	155	134	113	93	73	56	38
2,605	2,625	240	219	199	178	157	136	116	95	75	58	40
2,625	2,645	243	222	201	180	160	139	118	97	77	60	42
2,645	2,665	245	224	203	183	162	141	120	100	79	62	44
2,665	2,685	247	227	206	185	164	144	123	102	81	64	46
2,685	2,705	250	229	208	188	167	146	125	105	84	66	48
2,705	2,725	252	231	211	190	169	148	128	107	86	68	50
2,725	2,745	255	234	213	192	172	151	130	109	89	70	52
2,745	2,765	257	236	215	195	174	153	132	112	91	72	54
2,765	2,785	259	239	218	197	176	156	135	114	93	74	56
2,785	2,805	262	241	220	200	179	158	137	117	96	76	58
2,805	2,825	264	243	223	202	181	160	140	119	98	78	60
2,825	2,845	267	246	225	204	184	163	142	121	101	80	62
2,845	2,865	269	248	227	207	186	165	144	124	103	82	64
2,865	2,885	271	251	230	209	188	168	147	126	105	85	66
2,885	2,905	274	253	232	212	191	170	149	129	108	87	68
2,905	2,925	276	255	235	214	193	172	152	131	110	89	70
2,925	2,945	279	258	237	216	196	175	154	133	113	92	72
2,945	2,965	281	260	239	219	198	177	156	136	115	94	74
2,965	2,985	283	263	242	221	200	180	159	138	117	97	76
2,985	3,005	286	265	244	224	203	182	161	141	120	99	78
3,005	3,025	288	267	247	226	205	184	164	143	122	101	81
3,025	3,045	291	270	249	228	208	187	166	145	125	104	83
3,045	3,065	293	272	251	231	210	189	168	148	127	106	85
3,065	3,085	295	275	254	233	212	192	171	150	129	109	88
3,085	3,105	298	277	256	236	215	194	173	153	132	111	90
3,105	3,125	300	279	259	238	217	196	176	155	134	113	93
3,125	3,145	303	282	261	240	220	199	178	157	137	116	95
3,145	3,165	305	284	263	243	222	201	180	160	139	118	97

\$3,165 and over

Use Table 3(b) for a MARRIED person on page 46. Also see the instructions on page 44.

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—MONTHLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$305	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
305	325	1	0	0	0	0	0	0	0	0	0	0
325	345	3	0	0	0	0	0	0	0	0	0	0
345	365	5	0	0	0	0	0	0	0	0	0	0
365	385	7	0	0	0	0	0	0	0	0	0	0
385	405	9	0	0	0	0	0	0	0	0	0	0
405	425	11	0	0	0	0	0	0	0	0	0	0
425	445	13	0	0	0	0	0	0	0	0	0	0
445	465	15	0	0	0	0	0	0	0	0	0	0
465	485	17	0	0	0	0	0	0	0	0	0	0
485	505	19	0	0	0	0	0	0	0	0	0	0
505	525	21	0	0	0	0	0	0	0	0	0	0
525	545	23	0	0	0	0	0	0	0	0	0	0
545	565	25	0	0	0	0	0	0	0	0	0	0
565	585	27	0	0	0	0	0	0	0	0	0	0
585	605	29	0	0	0	0	0	0	0	0	0	0
605	645	32	0	0	0	0	0	0	0	0	0	0
645	685	36	1	0	0	0	0	0	0	0	0	0
685	725	40	5	0	0	0	0	0	0	0	0	0
725	765	44	9	0	0	0	0	0	0	0	0	0
765	805	48	13	0	0	0	0	0	0	0	0	0
805	845	52	17	0	0	0	0	0	0	0	0	0
845	885	56	21	0	0	0	0	0	0	0	0	0
885	925	60	25	0	0	0	0	0	0	0	0	0
925	965	64	29	0	0	0	0	0	0	0	0	0
965	1,005	68	33	0	0	0	0	0	0	0	0	0
1,005	1,045	72	37	3	0	0	0	0	0	0	0	0
1,045	1,085	76	41	7	0	0	0	0	0	0	0	0
1,085	1,125	80	45	11	0	0	0	0	0	0	0	0
1,125	1,165	85	49	15	0	0	0	0	0	0	0	0
1,165	1,205	89	53	19	0	0	0	0	0	0	0	0
1,205	1,245	94	57	23	0	0	0	0	0	0	0	0
1,245	1,285	99	61	27	0	0	0	0	0	0	0	0
1,285	1,325	104	65	31	0	0	0	0	0	0	0	0
1,325	1,365	109	69	35	0	0	0	0	0	0	0	0
1,365	1,405	113	73	39	4	0	0	0	0	0	0	0
1,405	1,445	118	77	43	8	0	0	0	0	0	0	0
1,445	1,485	123	81	47	12	0	0	0	0	0	0	0
1,485	1,525	128	86	51	16	0	0	0	0	0	0	0
1,525	1,565	133	91	55	20	0	0	0	0	0	0	0
1,565	1,605	137	96	59	24	0	0	0	0	0	0	0
1,605	1,645	142	101	63	28	0	0	0	0	0	0	0
1,645	1,685	147	105	67	32	0	0	0	0	0	0	0
1,685	1,725	152	110	71	36	1	0	0	0	0	0	0
1,725	1,765	157	115	75	40	5	0	0	0	0	0	0
1,765	1,805	161	120	79	44	9	0	0	0	0	0	0
1,805	1,845	166	125	83	48	13	0	0	0	0	0	0
1,845	1,885	171	129	88	52	17	0	0	0	0	0	0
1,885	1,925	176	134	93	56	21	0	0	0	0	0	0
1,925	1,965	181	139	98	60	25	0	0	0	0	0	0
1,965	2,005	185	144	102	64	29	0	0	0	0	0	0
2,005	2,045	190	149	107	68	33	0	0	0	0	0	0
2,045	2,085	195	153	112	72	37	3	0	0	0	0	0
2,085	2,125	200	158	117	76	41	7	0	0	0	0	0
2,125	2,165	205	163	122	80	45	11	0	0	0	0	0
2,165	2,205	209	168	126	85	49	15	0	0	0	0	0
2,205	2,245	214	173	131	90	53	19	0	0	0	0	0
2,245	2,285	219	177	136	94	57	23	0	0	0	0	0
2,285	2,325	224	182	141	99	61	27	0	0	0	0	0
2,325	2,365	229	187	146	104	65	31	0	0	0	0	0
2,365	2,405	233	192	150	109	69	35	0	0	0	0	0
2,405	2,445	238	197	155	114	73	39	4	0	0	0	0
2,445	2,485	243	201	160	118	77	43	8	0	0	0	0
2,485	2,525	248	206	165	123	82	47	12	0	0	0	0
2,525	2,565	253	211	170	128	87	51	16	0	0	0	0
2,565	2,605	257	216	174	133	91	55	20	0	0	0	0
2,605	2,645	262	221	179	138	96	59	24	0	0	0	0
2,645	2,685	267	225	184	142	101	63	28	0	0	0	0
2,685	2,725	272	230	189	147	106	67	32	0	0	0	0
2,725	2,765	277	235	194	152	111	71	36	2	0	0	0

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—MONTHLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$2,765	\$2,805	\$281	\$240	\$198	\$157	\$115	\$75	\$40	\$6	\$0	\$0	\$0
2,805	2,845	286	245	203	162	120	79	44	10	0	0	0
2,845	2,885	291	249	208	166	125	83	48	14	0	0	0
2,885	2,925	296	254	213	171	130	88	52	18	0	0	0
2,925	2,965	301	259	218	176	135	93	56	22	0	0	0
2,965	3,005	305	264	222	181	139	98	60	26	0	0	0
3,005	3,045	310	269	227	186	144	103	64	30	0	0	0
3,045	3,085	315	273	232	190	149	107	68	34	0	0	0
3,085	3,125	320	278	237	195	154	112	72	38	3	0	0
3,125	3,165	325	283	242	200	159	117	76	42	7	0	0
3,165	3,205	329	288	246	205	163	122	80	46	11	0	0
3,205	3,245	334	293	251	210	168	127	85	50	15	0	0
3,245	3,285	339	297	256	214	173	131	90	54	19	0	0
3,285	3,325	344	302	261	219	178	136	95	58	23	0	0
3,325	3,365	349	307	266	224	183	141	100	62	27	0	0
3,365	3,405	353	312	270	229	187	146	104	66	31	0	0
3,405	3,445	358	317	275	234	192	151	109	70	35	0	0
3,445	3,485	363	321	280	238	197	155	114	74	39	4	0
3,485	3,525	368	326	285	243	202	160	119	78	43	8	0
3,525	3,565	374	331	290	248	207	165	124	82	47	12	0
3,565	3,605	382	336	294	253	211	170	128	87	51	16	0
3,605	3,645	391	341	299	258	216	175	133	92	55	20	0
3,645	3,685	400	345	304	262	221	179	138	96	59	24	0
3,685	3,725	409	350	309	267	226	184	143	101	63	28	0
3,725	3,765	418	355	314	272	231	189	148	106	67	32	0
3,765	3,805	426	360	318	277	235	194	152	111	71	36	2
3,805	3,845	435	365	323	282	240	199	157	116	75	40	6
3,845	3,885	444	369	328	286	245	203	162	120	79	44	10
3,885	3,925	453	377	333	291	250	208	167	125	84	48	14
3,925	3,965	462	386	338	296	255	213	172	130	89	52	18
3,965	4,005	470	394	342	301	259	218	176	135	93	56	22
4,005	4,045	479	403	347	306	264	223	181	140	98	60	26
4,045	4,085	488	412	352	310	269	227	186	144	103	64	30
4,085	4,125	497	421	357	315	274	232	191	149	108	68	34
4,125	4,165	506	430	362	320	279	237	196	154	113	72	38
4,165	4,205	514	438	366	325	283	242	200	159	117	76	42
4,205	4,245	523	447	371	330	288	247	205	164	122	81	46
4,245	4,285	532	456	380	334	293	251	210	168	127	85	50
4,285	4,325	541	465	389	339	298	256	215	173	132	90	54
4,325	4,365	550	474	398	344	303	261	220	178	137	95	58
4,365	4,405	558	482	406	349	307	266	224	183	141	100	62
4,405	4,445	567	491	415	354	312	271	229	188	146	105	66
4,445	4,485	576	500	424	358	317	275	234	192	151	109	70
4,485	4,525	585	509	433	363	322	280	239	197	156	114	74
4,525	4,565	594	518	442	368	327	285	244	202	161	119	78
4,565	4,605	602	526	450	374	331	290	248	207	165	124	82
4,605	4,645	611	535	459	383	336	295	253	212	170	129	87
4,645	4,685	620	544	468	392	341	299	258	216	175	133	92
4,685	4,725	629	553	477	401	346	304	263	221	180	138	97
4,725	4,765	638	562	486	409	351	309	268	226	185	143	102
4,765	4,805	646	570	494	418	355	314	272	231	189	148	106
4,805	4,845	655	579	503	427	360	319	277	236	194	153	111
4,845	4,885	664	588	512	436	365	323	282	240	199	157	116
4,885	4,925	673	597	521	445	370	328	287	245	204	162	121
4,925	4,965	682	606	530	453	377	333	292	250	209	167	126
4,965	5,005	690	614	538	462	386	338	296	255	213	172	130
5,005	5,045	699	623	547	471	395	343	301	260	218	177	135
5,045	5,085	708	632	556	480	404	347	306	264	223	181	140
5,085	5,125	717	641	565	489	413	352	311	269	228	186	145
5,125	5,165	726	650	574	497	421	357	316	274	233	191	150
5,165	5,205	734	658	582	506	430	362	320	279	237	196	154
5,205	5,245	743	667	591	515	439	367	325	284	242	201	159
5,245	5,285	752	676	600	524	448	372	330	288	247	205	164
5,285	5,325	761	685	609	533	457	380	335	293	252	210	169
5,325	5,365	770	694	618	541	465	389	340	298	257	215	174
5,365	5,405	778	702	626	550	474	398	344	303	261	220	178

\$5,405 and over

Use Table 4(a) for a SINGLE person on page 46. Also see the instructions on page 44.

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—MONTHLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$950	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
950	990	1	0	0	0	0	0	0	0	0	0	0
990	1,030	5	0	0	0	0	0	0	0	0	0	0
1,030	1,070	9	0	0	0	0	0	0	0	0	0	0
1,070	1,110	13	0	0	0	0	0	0	0	0	0	0
1,110	1,150	17	0	0	0	0	0	0	0	0	0	0
1,150	1,190	21	0	0	0	0	0	0	0	0	0	0
1,190	1,230	25	0	0	0	0	0	0	0	0	0	0
1,230	1,270	29	0	0	0	0	0	0	0	0	0	0
1,270	1,310	33	0	0	0	0	0	0	0	0	0	0
1,310	1,350	37	2	0	0	0	0	0	0	0	0	0
1,350	1,390	41	6	0	0	0	0	0	0	0	0	0
1,390	1,430	45	10	0	0	0	0	0	0	0	0	0
1,430	1,470	49	14	0	0	0	0	0	0	0	0	0
1,470	1,510	53	18	0	0	0	0	0	0	0	0	0
1,510	1,550	57	22	0	0	0	0	0	0	0	0	0
1,550	1,590	61	26	0	0	0	0	0	0	0	0	0
1,590	1,630	65	30	0	0	0	0	0	0	0	0	0
1,630	1,670	69	34	0	0	0	0	0	0	0	0	0
1,670	1,710	73	38	4	0	0	0	0	0	0	0	0
1,710	1,750	77	42	8	0	0	0	0	0	0	0	0
1,750	1,790	81	46	12	0	0	0	0	0	0	0	0
1,790	1,830	85	50	16	0	0	0	0	0	0	0	0
1,830	1,870	89	54	20	0	0	0	0	0	0	0	0
1,870	1,910	93	58	24	0	0	0	0	0	0	0	0
1,910	1,950	97	62	28	0	0	0	0	0	0	0	0
1,950	1,990	101	66	32	0	0	0	0	0	0	0	0
1,990	2,030	105	70	36	1	0	0	0	0	0	0	0
2,030	2,070	109	74	40	5	0	0	0	0	0	0	0
2,070	2,110	113	78	44	9	0	0	0	0	0	0	0
2,110	2,150	117	82	48	13	0	0	0	0	0	0	0
2,150	2,190	121	86	52	17	0	0	0	0	0	0	0
2,190	2,230	125	90	56	21	0	0	0	0	0	0	0
2,230	2,270	129	94	60	25	0	0	0	0	0	0	0
2,270	2,310	133	98	64	29	0	0	0	0	0	0	0
2,310	2,350	137	102	68	33	0	0	0	0	0	0	0
2,350	2,390	141	106	72	37	2	0	0	0	0	0	0
2,390	2,430	145	110	76	41	6	0	0	0	0	0	0
2,430	2,470	149	114	80	45	10	0	0	0	0	0	0
2,470	2,510	153	118	84	49	14	0	0	0	0	0	0
2,510	2,550	157	122	88	53	18	0	0	0	0	0	0
2,550	2,590	161	126	92	57	22	0	0	0	0	0	0
2,590	2,630	166	130	96	61	26	0	0	0	0	0	0
2,630	2,670	171	134	100	65	30	0	0	0	0	0	0
2,670	2,710	176	138	104	69	34	0	0	0	0	0	0
2,710	2,750	180	142	108	73	38	4	0	0	0	0	0
2,750	2,790	185	146	112	77	42	8	0	0	0	0	0
2,790	2,830	190	150	116	81	46	12	0	0	0	0	0
2,830	2,870	195	154	120	85	50	16	0	0	0	0	0
2,870	2,910	200	158	124	89	54	20	0	0	0	0	0
2,910	2,950	204	163	128	93	58	24	0	0	0	0	0
2,950	2,990	209	168	132	97	62	28	0	0	0	0	0
2,990	3,030	214	172	136	101	66	32	0	0	0	0	0
3,030	3,070	219	177	140	105	70	36	1	0	0	0	0
3,070	3,110	224	182	144	109	74	40	5	0	0	0	0
3,110	3,150	228	187	148	113	78	44	9	0	0	0	0
3,150	3,190	233	192	152	117	82	48	13	0	0	0	0
3,190	3,230	238	196	156	121	86	52	17	0	0	0	0
3,230	3,270	243	201	160	125	90	56	21	0	0	0	0
3,270	3,310	248	206	165	129	94	60	25	0	0	0	0
3,310	3,350	252	211	169	133	98	64	29	0	0	0	0
3,350	3,390	257	216	174	137	102	68	33	0	0	0	0
3,390	3,430	262	220	179	141	106	72	37	3	0	0	0
3,430	3,470	267	225	184	145	110	76	41	7	0	0	0
3,470	3,510	272	230	189	149	114	80	45	11	0	0	0
3,510	3,550	276	235	193	153	118	84	49	15	0	0	0
3,550	3,590	281	240	198	157	122	88	53	19	0	0	0
3,590	3,630	286	244	203	161	126	92	57	23	0	0	0
3,630	3,670	291	249	208	166	130	96	61	27	0	0	0
3,670	3,710	296	254	213	171	134	100	65	31	0	0	0

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—MONTHLY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$3,710	\$3,750	\$300	\$259	\$217	\$176	\$138	\$104	\$69	\$35	\$0	\$0	\$0
3,750	3,790	305	264	222	181	142	108	73	39	4	0	0
3,790	3,830	310	268	227	185	146	112	77	43	8	0	0
3,830	3,870	315	273	232	190	150	116	81	47	12	0	0
3,870	3,910	320	278	237	195	154	120	85	51	16	0	0
3,910	3,950	324	283	241	200	158	124	89	55	20	0	0
3,950	3,990	329	288	246	205	163	128	93	59	24	0	0
3,990	4,030	334	292	251	209	168	132	97	63	28	0	0
4,030	4,070	339	297	256	214	173	136	101	67	32	0	0
4,070	4,110	344	302	261	219	178	140	105	71	36	2	0
4,110	4,150	348	307	265	224	182	144	109	75	40	6	0
4,150	4,190	353	312	270	229	187	148	113	79	44	10	0
4,190	4,230	358	316	275	233	192	152	117	83	48	14	0
4,230	4,270	363	321	280	238	197	156	121	87	52	18	0
4,270	4,310	368	326	285	243	202	160	125	91	56	22	0
4,310	4,350	372	331	289	248	206	165	129	95	60	26	0
4,350	4,390	377	336	294	253	211	170	133	99	64	30	0
4,390	4,430	382	340	299	257	216	174	137	103	68	34	0
4,430	4,470	387	345	304	262	221	179	141	107	72	38	3
4,470	4,510	392	350	309	267	226	184	145	111	76	42	7
4,510	4,550	396	355	313	272	230	189	149	115	80	46	11
4,550	4,590	401	360	318	277	235	194	153	119	84	50	15
4,590	4,630	406	364	323	281	240	198	157	123	88	54	19
4,630	4,670	411	369	328	286	245	203	162	127	92	58	23
4,670	4,710	416	374	333	291	250	208	167	131	96	62	27
4,710	4,750	420	379	337	296	254	213	171	135	100	66	31
4,750	4,790	425	384	342	301	259	218	176	139	104	70	35
4,790	4,830	430	388	347	305	264	222	181	143	108	74	39
4,830	4,870	435	393	352	310	269	227	186	147	112	78	43
4,870	4,910	440	398	357	315	274	232	191	151	116	82	47
4,910	4,950	444	403	361	320	278	237	195	155	120	86	51
4,950	4,990	449	408	366	325	283	242	200	159	124	90	55
4,990	5,030	454	412	371	329	288	246	205	163	128	94	59
5,030	5,070	459	417	376	334	293	251	210	168	132	98	63
5,070	5,110	464	422	381	339	298	256	215	173	136	102	67
5,110	5,150	468	427	385	344	302	261	219	178	140	106	71
5,150	5,190	473	432	390	349	307	266	224	183	144	110	75
5,190	5,230	478	436	395	353	312	270	229	187	148	114	79
5,230	5,270	483	441	400	358	317	275	234	192	152	118	83
5,270	5,310	488	446	405	363	322	280	239	197	156	122	87
5,310	5,350	492	451	409	368	326	285	243	202	160	126	91
5,350	5,390	497	456	414	373	331	290	248	207	165	130	95
5,390	5,430	502	460	419	377	336	294	253	211	170	134	99
5,430	5,470	507	465	424	382	341	299	258	216	175	138	103
5,470	5,510	512	470	429	387	346	304	263	221	180	142	107
5,510	5,550	516	475	433	392	350	309	267	226	184	146	111
5,550	5,590	521	480	438	397	355	314	272	231	189	150	115
5,590	5,630	526	484	443	401	360	318	277	235	194	154	119
5,630	5,670	531	489	448	406	365	323	282	240	199	158	123
5,670	5,710	536	494	453	411	370	328	287	245	204	162	127
5,710	5,750	540	499	457	416	374	333	291	250	208	167	131
5,750	5,790	545	504	462	421	379	338	296	255	213	172	135
5,790	5,830	550	508	467	425	384	342	301	259	218	176	139
5,830	5,870	555	513	472	430	389	347	306	264	223	181	143
5,870	5,910	560	518	477	435	394	352	311	269	228	186	147
5,910	5,950	564	523	481	440	398	357	315	274	232	191	151
5,950	5,990	569	528	486	445	403	362	320	279	237	196	155
5,990	6,030	574	532	491	449	408	366	325	283	242	200	159
6,030	6,070	579	537	496	454	413	371	330	288	247	205	164
6,070	6,110	584	542	501	459	418	376	335	293	252	210	169
6,110	6,150	588	547	505	464	422	381	339	298	256	215	173
6,150	6,190	593	552	510	469	427	386	344	303	261	220	178
6,190	6,230	598	556	515	473	432	390	349	307	266	224	183
6,230	6,270	603	561	520	478	437	395	354	312	271	229	188
6,270	6,310	608	566	525	483	442	400	359	317	276	234	193
6,310	6,350	612	571	529	488	446	405	363	322	280	239	197
\$6,350 and over		Use Table 4(b) for a MARRIED person on page 46. Also see the instructions on page 44.										

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—DAILY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	21	1	0	0	0	0	0	0	0	0	0	0
21	24	1	0	0	0	0	0	0	0	0	0	0
24	27	1	0	0	0	0	0	0	0	0	0	0
27	30	1	0	0	0	0	0	0	0	0	0	0
30	33	2	0	0	0	0	0	0	0	0	0	0
33	36	2	0	0	0	0	0	0	0	0	0	0
36	39	2	1	0	0	0	0	0	0	0	0	0
39	42	3	1	0	0	0	0	0	0	0	0	0
42	45	3	1	0	0	0	0	0	0	0	0	0
45	48	3	2	0	0	0	0	0	0	0	0	0
48	51	4	2	0	0	0	0	0	0	0	0	0
51	54	4	2	1	0	0	0	0	0	0	0	0
54	57	4	3	1	0	0	0	0	0	0	0	0
57	60	5	3	1	0	0	0	0	0	0	0	0
60	63	5	3	2	0	0	0	0	0	0	0	0
63	66	5	3	2	0	0	0	0	0	0	0	0
66	69	6	4	2	1	0	0	0	0	0	0	0
69	72	6	4	2	1	0	0	0	0	0	0	0
72	75	6	4	3	1	0	0	0	0	0	0	0
75	78	7	5	3	1	0	0	0	0	0	0	0
78	81	7	5	3	2	0	0	0	0	0	0	0
81	84	7	6	4	2	0	0	0	0	0	0	0
84	87	8	6	4	2	1	0	0	0	0	0	0
87	90	8	6	4	3	1	0	0	0	0	0	0
90	93	9	7	5	3	1	0	0	0	0	0	0
93	96	9	7	5	3	2	0	0	0	0	0	0
96	99	9	7	5	4	2	0	0	0	0	0	0
99	102	10	8	6	4	2	1	0	0	0	0	0
102	105	10	8	6	4	3	1	0	0	0	0	0
105	108	10	8	7	5	3	1	0	0	0	0	0
108	111	11	9	7	5	3	2	0	0	0	0	0
111	114	11	9	7	5	3	2	0	0	0	0	0
114	117	11	10	8	6	4	2	1	0	0	0	0
117	120	12	10	8	6	4	2	1	0	0	0	0
120	123	12	10	8	6	4	3	1	0	0	0	0
123	126	12	11	9	7	5	3	1	0	0	0	0
126	129	13	11	9	7	5	3	2	0	0	0	0
129	132	13	11	9	7	6	4	2	0	0	0	0
132	135	14	12	10	8	6	4	2	1	0	0	0
135	138	14	12	10	8	6	4	3	1	0	0	0
138	141	14	12	10	9	7	5	3	1	0	0	0
141	144	15	13	11	9	7	5	3	2	0	0	0
144	147	15	13	11	9	7	5	4	2	0	0	0
147	150	15	13	12	10	8	6	4	2	1	0	0
150	153	16	14	12	10	8	6	4	3	1	0	0
153	156	16	14	12	10	8	7	5	3	1	0	0
156	159	16	15	13	11	9	7	5	3	2	0	0
159	162	17	15	13	11	9	7	5	3	2	0	0
162	165	17	15	13	11	10	8	6	4	2	1	0
165	168	18	16	14	12	10	8	6	4	2	1	0
168	171	19	16	14	12	10	8	6	4	3	1	0
171	174	19	16	14	13	11	9	7	5	3	1	0
174	177	20	17	15	13	11	9	7	5	3	2	0
177	180	21	17	15	13	11	9	7	6	4	2	0
180	183	21	18	16	14	12	10	8	6	4	2	1
183	186	22	18	16	14	12	10	8	6	4	3	1
186	189	23	19	16	14	12	10	9	7	5	3	1
189	192	23	20	17	15	13	11	9	7	5	3	2
192	195	24	20	17	15	13	11	9	7	5	4	2
195	198	24	21	17	15	13	12	10	8	6	4	2
198	201	25	22	18	16	14	12	10	8	6	4	3
201	204	26	22	19	16	14	12	10	8	7	5	3
204	207	26	23	19	16	15	13	11	9	7	5	3
207	210	27	24	20	17	15	13	11	9	7	5	3
210	213	28	24	21	17	15	13	11	10	8	6	4
213	216	28	25	21	18	16	14	12	10	8	6	4
216	219	29	26	22	19	16	14	12	10	8	6	5
219	222	30	26	23	19	16	14	13	11	9	7	5
222	225	30	27	23	20	17	15	13	11	9	7	5

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—DAILY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$225	\$228	\$31	\$28	\$24	\$21	\$17	\$15	\$13	\$11	\$9	\$8	\$6
228	231	32	28	25	21	18	16	14	12	10	8	6
231	234	32	29	25	22	18	16	14	12	10	8	6
234	237	33	30	26	23	19	16	14	12	10	9	7
237	240	34	30	27	23	20	17	15	13	11	9	7
240	243	34	31	27	24	20	17	15	13	11	9	7
243	246	35	32	28	25	21	17	15	13	12	10	8
246	249	36	32	29	25	22	18	16	14	12	10	8
249	252	36	33	29	26	22	19	16	14	12	10	8
252	255	37	34	30	26	23	19	16	15	13	11	9
255	258	38	34	31	27	24	20	17	15	13	11	9
258	261	38	35	31	28	24	21	17	15	13	11	10
261	264	39	35	32	28	25	21	18	16	14	12	10
264	267	40	36	33	29	26	22	19	16	14	12	10
267	270	40	37	33	30	26	23	19	16	14	13	11
270	273	41	37	34	30	27	23	20	17	15	13	11
273	276	42	38	35	31	28	24	21	17	15	13	11
276	279	42	39	35	32	28	25	21	18	16	14	12
279	282	43	39	36	32	29	25	22	18	16	14	12
282	285	44	40	37	33	30	26	23	19	16	14	12
285	288	44	41	37	34	30	27	23	20	17	15	13
288	291	45	41	38	34	31	27	24	20	17	15	13
291	294	46	42	39	35	32	28	25	21	18	15	14
294	297	46	43	39	36	32	29	25	22	18	16	14
297	300	47	43	40	36	33	29	26	22	19	16	14
300	303	48	44	41	37	34	30	27	23	19	17	15
303	306	48	45	41	38	34	31	27	24	20	17	15
306	309	49	45	42	38	35	31	28	24	21	17	15
309	312	50	46	43	39	36	32	28	25	21	18	16
312	315	50	47	43	40	36	33	29	26	22	19	16
315	318	51	47	44	40	37	33	30	26	23	19	16
318	321	52	48	45	41	37	34	30	27	23	20	17
321	324	52	49	45	42	38	35	31	28	24	21	17
324	327	53	49	46	42	39	35	32	28	25	21	18
327	330	54	50	46	43	39	36	32	29	25	22	18
330	333	54	51	47	44	40	37	33	30	26	23	19
333	336	55	51	48	44	41	37	34	30	27	23	20
336	339	56	52	48	45	41	38	34	31	27	24	20
339	341	56	53	49	46	42	38	35	31	28	24	21
341	343	57	53	49	46	42	39	35	32	28	25	21
343	345	57	53	50	46	43	39	36	32	29	25	22
345	347	58	54	50	47	43	40	36	33	29	26	22
347	349	58	54	51	47	44	40	37	33	30	26	23
349	351	59	55	51	48	44	41	37	34	30	27	23
351	353	59	55	52	48	45	41	38	34	31	27	24
353	355	60	56	52	49	45	42	38	35	31	28	24
355	357	60	56	53	49	46	42	39	35	31	28	24
357	359	61	57	53	49	46	42	39	35	32	28	25
359	361	61	57	53	50	46	43	39	36	32	29	25
361	363	62	58	54	50	47	43	40	36	33	29	26
363	365	62	58	54	51	47	44	40	37	33	30	26
365	367	62	59	55	51	48	44	41	37	34	30	27
367	369	63	59	55	52	48	45	41	38	34	31	27
369	371	63	60	56	52	49	45	42	38	35	31	28
371	373	64	60	56	53	49	46	42	39	35	31	28
373	375	64	61	57	53	49	46	42	39	35	32	28
375	377	65	61	57	53	50	46	43	39	36	32	29
377	379	65	62	58	54	50	47	43	40	36	33	29
379	381	66	62	58	54	51	47	44	40	37	33	30
381	383	66	62	59	55	51	48	44	41	37	34	30
383	385	67	63	59	55	52	48	45	41	38	34	31
385	387	67	63	60	56	52	49	45	42	38	35	31
387	389	68	64	60	56	53	49	46	42	39	35	31
389	391	68	64	61	57	53	49	46	42	39	35	32
391	393	69	65	61	57	53	50	46	43	39	36	32
393	395	69	65	62	58	54	50	47	43	40	36	33
\$ 395 and over		Use Table 8(a) for a SINGLE person on page 47. Also see the instructions on page 44.										

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—DAILY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$ 0	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	53	1	0	0	0	0	0	0	0	0	0	0
53	56	1	0	0	0	0	0	0	0	0	0	0
56	59	1	0	0	0	0	0	0	0	0	0	0
59	62	2	0	0	0	0	0	0	0	0	0	0
62	65	2	0	0	0	0	0	0	0	0	0	0
65	68	2	1	0	0	0	0	0	0	0	0	0
68	71	3	1	0	0	0	0	0	0	0	0	0
71	74	3	1	0	0	0	0	0	0	0	0	0
74	77	3	2	0	0	0	0	0	0	0	0	0
77	80	3	2	0	0	0	0	0	0	0	0	0
80	83	4	2	1	0	0	0	0	0	0	0	0
83	86	4	2	1	0	0	0	0	0	0	0	0
86	89	4	3	1	0	0	0	0	0	0	0	0
89	92	5	3	1	0	0	0	0	0	0	0	0
92	95	5	3	2	0	0	0	0	0	0	0	0
95	98	5	4	2	0	0	0	0	0	0	0	0
98	101	6	4	2	1	0	0	0	0	0	0	0
101	104	6	4	3	1	0	0	0	0	0	0	0
104	107	6	5	3	1	0	0	0	0	0	0	0
107	110	6	5	3	2	0	0	0	0	0	0	0
110	113	7	5	4	2	0	0	0	0	0	0	0
113	116	7	5	4	2	1	0	0	0	0	0	0
116	119	7	6	4	3	1	0	0	0	0	0	0
119	122	8	6	4	3	1	0	0	0	0	0	0
122	125	8	6	5	3	2	0	0	0	0	0	0
125	128	8	7	5	3	2	0	0	0	0	0	0
128	131	9	7	5	4	2	1	0	0	0	0	0
131	134	9	7	6	4	2	1	0	0	0	0	0
134	137	9	8	6	4	3	1	0	0	0	0	0
137	140	10	8	6	5	3	1	0	0	0	0	0
140	143	10	8	7	5	3	2	0	0	0	0	0
143	146	11	9	7	5	4	2	0	0	0	0	0
146	149	11	9	7	6	4	2	1	0	0	0	0
149	152	11	9	7	6	4	3	1	0	0	0	0
152	155	12	10	8	6	5	3	1	0	0	0	0
155	158	12	10	8	6	5	3	2	0	0	0	0
158	161	12	10	9	7	5	4	2	0	0	0	0
161	164	13	11	9	7	5	4	2	1	0	0	0
164	167	13	11	9	7	6	4	3	1	0	0	0
167	170	13	12	10	8	6	4	3	1	0	0	0
170	173	14	12	10	8	6	5	3	2	0	0	0
173	176	14	12	10	8	7	5	3	2	0	0	0
176	179	15	13	11	9	7	5	4	2	1	0	0
179	182	15	13	11	9	7	6	4	2	1	0	0
182	185	15	13	11	9	8	6	4	3	1	0	0
185	188	16	14	12	10	8	6	5	3	1	0	0
188	191	16	14	12	10	8	7	5	3	2	0	0
191	194	16	14	12	11	9	7	5	4	2	0	0
194	197	17	15	13	11	9	7	6	4	2	1	0
197	200	17	15	13	11	9	7	6	4	3	1	0
200	203	17	15	14	12	10	8	6	5	3	1	0
203	206	18	16	14	12	10	8	6	5	3	2	0
206	209	18	16	14	12	10	9	7	5	4	2	0
209	212	18	17	15	13	11	9	7	5	4	2	1
212	215	19	17	15	13	11	9	7	6	4	3	1
215	218	19	17	15	13	12	10	8	6	4	3	1
218	221	20	18	16	14	12	10	8	6	5	3	2
221	224	20	18	16	14	12	10	8	7	5	3	2
224	227	20	18	16	15	13	11	9	7	5	4	2
227	230	21	19	17	15	13	11	9	7	6	4	2
230	233	21	19	17	15	13	11	9	8	6	4	3
233	236	21	19	18	16	14	12	10	8	6	5	3
236	239	22	20	18	16	14	12	10	8	7	5	3
239	242	22	20	18	16	14	12	11	9	7	5	4
242	245	22	21	19	17	15	13	11	9	7	6	4
245	248	23	21	19	17	15	13	11	9	7	6	4
248	251	23	21	19	17	15	14	12	10	8	6	5
251	254	24	22	20	18	16	14	12	10	8	6	5
254	257	24	22	20	18	16	14	12	10	9	7	5

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—DAILY Payroll Period

(For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$257	\$260	\$24	\$22	\$20	\$18	\$17	\$15	\$13	\$11	\$9	\$7	\$5
260	263	25	23	21	19	17	15	13	11	9	7	6
263	266	25	23	21	19	17	15	13	12	10	8	6
266	269	25	23	21	20	18	16	14	12	10	8	6
269	272	26	24	22	20	18	16	14	12	10	8	7
272	275	26	24	22	20	18	16	15	13	11	9	7
275	278	26	24	23	21	19	17	15	13	11	9	7
278	281	27	25	23	21	19	17	15	13	11	10	8
281	284	27	25	23	21	19	18	16	14	12	10	8
284	287	27	26	24	22	20	18	16	14	12	10	8
287	290	28	26	24	22	20	18	16	14	13	11	9
290	293	28	26	24	22	21	19	17	15	13	11	9
293	296	29	27	25	23	21	19	17	15	13	11	9
296	299	29	27	25	23	21	19	17	15	14	12	10
299	302	29	27	25	24	22	20	18	16	14	12	10
302	305	30	28	26	24	22	20	18	16	14	12	10
305	308	30	28	26	24	22	20	18	17	15	13	11
308	311	30	28	27	25	23	21	19	17	15	13	11
311	314	31	29	27	25	23	21	19	17	15	13	12
314	317	31	29	27	25	23	21	20	18	16	14	12
317	320	31	30	28	26	24	22	20	18	16	14	12
320	323	32	30	28	26	24	22	20	18	16	15	13
323	326	32	30	28	26	24	23	21	19	17	15	13
326	329	33	31	29	27	25	23	21	19	17	15	13
329	332	33	31	29	27	25	23	21	19	18	16	14
332	335	33	31	29	27	26	24	22	20	18	16	14
335	338	34	32	30	28	26	24	22	20	18	16	14
338	341	34	32	30	28	26	24	22	21	19	17	15
341	343	34	32	30	28	27	25	23	21	19	17	15
343	345	35	33	31	29	27	25	23	21	19	17	15
345	347	35	33	31	29	27	25	23	21	19	17	16
347	349	36	33	31	29	27	25	23	22	20	18	16
349	351	36	33	31	29	28	26	24	22	20	18	16
351	353	36	34	32	30	28	26	24	22	20	18	16
353	355	37	34	32	30	28	26	24	22	20	18	17
355	357	37	34	32	30	28	26	24	23	21	19	17
357	359	38	34	32	30	29	27	25	23	21	19	17
359	361	38	35	33	31	29	27	25	23	21	19	17
361	363	39	35	33	31	29	27	25	23	21	19	17
363	365	39	36	33	31	29	27	25	23	22	20	18
365	367	40	36	33	31	29	28	26	24	22	20	18
367	369	40	36	34	32	30	28	26	24	22	20	18
369	371	40	37	34	32	30	28	26	24	22	20	18
371	373	41	37	34	32	30	28	26	24	23	21	19
373	375	41	38	34	32	30	29	27	25	23	21	19
375	377	42	38	35	33	31	29	27	25	23	21	19
377	379	42	39	35	33	31	29	27	25	23	21	19
379	381	43	39	36	33	31	29	27	25	23	22	20
381	383	43	40	36	33	31	29	28	26	24	22	20
383	385	43	40	36	34	32	30	28	26	24	22	20
385	387	44	40	37	34	32	30	28	26	24	22	20
387	389	44	41	37	34	32	30	28	26	24	23	21
389	391	45	41	38	34	32	30	29	27	25	23	21
391	393	45	42	38	35	33	31	29	27	25	23	21
393	395	46	42	39	35	33	31	29	27	25	23	21
395	397	46	43	39	36	33	31	29	27	25	23	22
397	399	47	43	40	36	33	31	29	28	26	24	22
399	401	47	43	40	36	34	32	30	28	26	24	22
401	403	47	44	40	37	34	32	30	28	26	24	22
403	405	48	44	41	37	34	32	30	28	26	24	23
405	407	48	45	41	38	34	32	30	29	27	25	23
407	409	49	45	42	38	35	33	31	29	27	25	23
409	411	49	46	42	39	35	33	31	29	27	25	23
411	413	50	46	43	39	36	33	31	29	27	25	23
413	415	50	47	43	40	36	33	31	29	28	26	24
415	417	51	47	43	40	36	34	32	30	28	26	24
\$ 417 and over		Use Table 8(b) for a MARRIED person on page 47. Also see the instructions on page 44.										

How To Get Tax Help

If you have questions about a tax issue, need help preparing your tax return, or want to download free publications, forms, or instructions, go to [IRS.gov](https://www.irs.gov) and find resources that can help you right away.

Preparing and filing your tax return. Go to [IRS.gov/employmentefile](https://www.irs.gov/employmentefile) for more information on filing your employment tax returns electronically.



Getting answers to your tax questions. On [IRS.gov](https://www.irs.gov) get answers to your tax questions anytime, anywhere.

- Go to [IRS.gov/Help](https://www.irs.gov/Help) or [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp) pages for a variety of tools that will help you get answers to some of the most common tax questions.
- You may also be able to access tax law information in your electronic filing software.

Getting tax forms and publications. Go to [IRS.gov/forms](https://www.irs.gov/forms) to view, download, or print most of the forms and publications you may need. You can also download and view popular tax publications and instructions (including Pub. 15) on mobile devices as an eBook at no charge. Or, you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order and have forms mailed to you within 10 business days.

Getting a transcript or copy of a return. You can get a copy of your tax transcript or a copy of your return by calling 800-829-4933 or by mailing Form 4506-T (transcript request) or Form 4506 (copy of return) to the IRS.

Resolving tax-related identity theft issues.

- The IRS doesn't initiate contact with taxpayers by email or telephone to request personal or financial information. This includes any type of electronic communication, such as text messages and social media channels.
- Go to [IRS.gov/IDProtection](https://www.irs.gov/IDProtection) for information and videos.
- If your EIN has been lost or stolen or you suspect you're a victim of tax-related identity theft, visit [IRS.gov/ID](https://www.irs.gov/ID) to learn what steps you should take.

Making a tax payment. The IRS uses the latest encryption technology to ensure your electronic payments are safe and secure. You can make electronic payments online, by phone, and from a mobile device using the IRS2Go app. Paying electronically is quick, easy, and faster than mailing in a check or money order. Go to [IRS.gov/payments](https://www.irs.gov/payments) to make a payment using any of the following options.

- **Debit or credit card:** Choose an approved payment processor to pay online, by phone, and by mobile device.

- **Electronic Funds Withdrawal:** Offered only when filing your federal taxes using tax preparation software or through a tax professional.
- **Electronic Federal Tax Payment System:** Best option for businesses. Enrollment is required.
- **Check or money order:** Mail your payment to the address listed on the notice or instructions.
- **Cash:** You may be able to pay your taxes with cash at a participating retail store.

What if I can't pay now? Go to [IRS.gov/payments](https://www.irs.gov/payments) for more information about your options.

- Apply for an [online payment agreement \(IRS.gov/OPA\)](https://www.irs.gov/OPA) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the [Offer in Compromise Pre-Qualifier \(IRS.gov/OIC\)](https://www.irs.gov/OIC) to see if you can settle your tax debt for less than the full amount you owe.

Understanding an IRS notice or letter. Go to [IRS.gov/notices](https://www.irs.gov/notices) to find additional information about responding to an IRS notice or letter.

Contacting your local IRS office. Keep in mind, many questions can be answered on [IRS.gov](https://www.irs.gov) without visiting an IRS Tax Assistance Center (TAC). Go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp) for the topics people ask about most. If you still need help, IRS TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TACLocator](https://www.irs.gov/TACLocator) to find the nearest TAC, check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

Watching IRS videos. The IRS Video portal ([IRSVideos.gov](https://www.irs.gov/IRSVideos)) contains video and audio presentations for individuals, small businesses, and tax professionals.

Getting tax information in other languages. For taxpayers whose native language isn't English, we have the following resources available. Taxpayers can find information on [IRS.gov](https://www.irs.gov) in the following languages.

- [Spanish \(IRS.gov/Spanish\)](https://www.irs.gov/Spanish).
- [Chinese \(IRS.gov/Chinese\)](https://www.irs.gov/Chinese).
- [Vietnamese \(IRS.gov/Vietnamese\)](https://www.irs.gov/Vietnamese).
- [Korean \(IRS.gov/Korean\)](https://www.irs.gov/Korean).
- [Russian \(IRS.gov/Russian\)](https://www.irs.gov/Russian).

The IRS TACs provide over-the-phone interpreter service in over 170 languages, and the service is available free to taxpayers.

The Taxpayer Advocate Service Is Here To Help You

What is the Taxpayer Advocate Service?

The Taxpayer Advocate Service (TAS) is an **independent** organization within the IRS that helps taxpayers and protects taxpayer rights. Our job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [Taxpayer Bill of Rights](#).

What Can the Taxpayer Advocate Service Do For You?

We can help you resolve problems that you can't resolve with the IRS. And our service is free. If you qualify for our assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business,
- You face (or your business is facing) an immediate threat of adverse action, or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How Can You Reach Us?

We have offices [in every state, the District of Columbia, and Puerto Rico](#). Your local advocate's number is in your local directory and at [TaxpayerAdvocate.IRS.gov/Contact-Us](#). You can also call us at 877-777-4778.

How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Our Tax Toolkit at [TaxpayerAdvocate.IRS.gov](#) can help you understand [what these rights mean to you](#) and how they apply. These are **your** rights. Know them. Use them.

How Else Does the Taxpayer Advocate Service Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, please report it to us at [IRS.gov/SAMS](#).



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