

Office of the State Comptroller
PAYROLL BULLETIN

Subject Notice to Employees on 1988 Form W-4	Bulletin No. P-560
	Date March 14, 1988

For 1988 there is no requirement that every employee refile Form W-4. However, employees should review their withholding situation to be sure enough tax is being withheld.

The Internal Revenue Service requests that employers post the attached notice for employee information.

To request a supply of 1988 W-4 Forms, call the IRS toll-free number, 1-800-424-3676.

Employees:**Will you be up-to-date on your Federal withholding allowances for 1988?**

Every payday your employer uses the information and the number of withholding allowances from your Form W-4 to determine how much Federal income tax to withhold from your pay. So it is important to keep your Form W-4 up-to-date to reflect any changes in your withholding allowances.

The instructions and worksheets on the 1988 Form W-4 help you figure the number of withholding allowances you are entitled to claim. File a new Form W-4 with your employer if necessary. You can get Form W-4 from your employer.

You should check the number of your allowances if:

- ▶ Your marital status changes.
- ▶ Your dependent is born or dies.
- ▶ You begin or stop supporting a dependent.
- ▶ Your eligibility for the "special withholding allowance" changes.
- ▶ Your eligibility for additional withholding allowances for credits or deductions changes.

The Tax Reform Act of 1986 changed many parts of the law that affect withholding including some changes that take effect in 1988. If you are in any of the following groups, review your withholding early in the year to see if you should file a 1988 Form W-4:

- ▶ You can claim "Head of Household" filing status on your 1988 tax return. A new provision allows you to claim one additional withholding allowance on the "Personal Allowances Worksheet" on the W-4.
- ▶ You are married and your spouse works or you have two or more jobs at the same time. You should complete the "Two-Earner/Two-Jobs Worksheet" on the W-4.
- ▶ You itemize deductions or have nonwage income. You should complete the "Deductions and Adjustments Worksheet" on the W-4. For 1988 the standard deduction increases to \$5,000 for married filing joint return or qualifying widow(er) with

dependent child, \$4,400 for head of household, \$3,000 for single, and \$2,500 for married filing separate return filing status. As a result, some employees may no longer have itemized deductions in excess of the standard deduction.

- ▶ You were 65 or older or blind and claimed the additional withholding allowance for nonitemizers on the 1987 Form W-4 or W-4A. The additional allowance does not apply for 1988.

If the number of allowances you are entitled to claim **INCREASES**, you may file a new Form W-4 at any time.

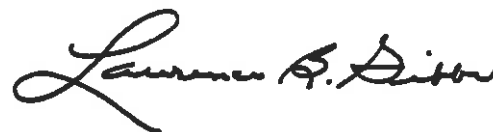
If the number of allowances you are entitled to claim **DECREASES** to less than the number you are now claiming, you must file a new Form W-4 within 10 days of the change.

You can estimate your taxes for the year by using the worksheet in **Publication 919, Is My Withholding Correct for 1988?** Then you can decide whether to change the number of withholding allowances you are claiming by filing a new Form W-4 so you can have less tax or more tax withheld. Publication 919 is available free from most IRS offices or by calling the IRS toll-free number, 1-800-424-3676.

IF YOU WANT MORE TAX WITHHELD, you can claim fewer allowances than you are entitled to.

If you are married, you may also check the box "Married, but withhold at higher Single rate" on Form W-4.

IF YOU WANT LESS TAX WITHHELD, you should claim all the allowances you are entitled to. However, if you work for more than one employer, you may not claim the same allowances more than once. If both you and your spouse are employed, you can divide allowances between you, but both cannot claim the same allowances.



Commissioner of Internal Revenue
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Department of the Treasury
Internal Revenue Service

Employer:

Please post or publish this Bulletin Board Poster so that your employees will see it.

Please indicate where forms and information on this subject are available.