



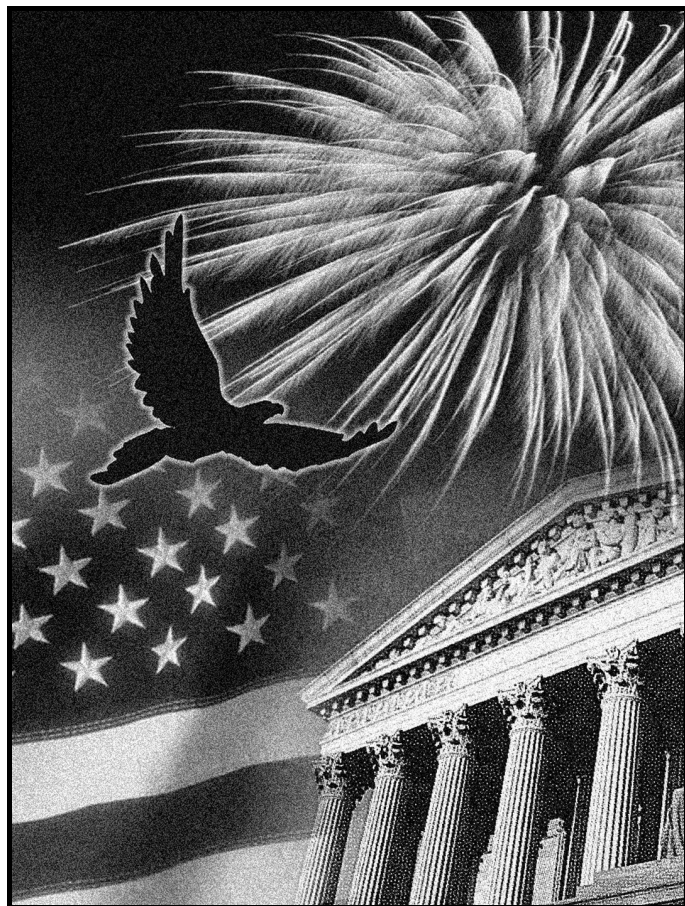
Department of the Treasury
Internal Revenue Service

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(Circular E), Employer's Tax Guide

For use in **2011**



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What's New

2011 withholding tables. This publication includes the 2011 Percentage Method Tables and Wage Bracket Tables for Income Tax Withholding that were developed as a result of the recently passed Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. Employers should implement the 2011 withholding tables as soon as possible, but not later than January 31, 2011.

Use the 2010 withholding tables until you implement the 2011 withholding tables.

Social security and Medicare tax for 2011. For 2011, the employee tax rate for social security is 4.2%.

The employer tax rate for social security remains unchanged at 6.2%. The 2011 social security wage base limit is \$106,800. In 2011, the Medicare tax rate is 1.45% each for employers and employees, unchanged from 2010. There is no wage base limit for Medicare tax.

Employers should implement the 4.2% employee social security tax rate as soon as possible, but not later than January 31, 2011. After implementing the new 4.2% rate, employers should make an offsetting adjustment in a subsequent pay period to correct any overwithholding of social security tax as soon as possible, but not later than March 31, 2011.

Social security and Medicare taxes apply to the wages of household workers you pay \$1,700 or more in cash or an equivalent form of compensation. Social security and Medicare taxes apply to election workers who are paid \$1,500 or more in cash or an equivalent form of compensation.

Making Work Pay credit. The Making Work Pay credit expires on December 31, 2010. As a result:

- The income tax withholding tables for 2011 are not adjusted for the Making Work Pay credit.
- There is no longer an optional additional withholding adjustment for pensions.
- The procedure for withholding on wages of nonresident aliens has been modified and is included in [section 9](#).

COBRA premium assistance credit extended. The credit for COBRA premium assistance payments has been extended. It now applies to premiums paid for employees involuntarily terminated between September 1, 2008, and May 31, 2010, and to premiums paid for up to 15 months. See [COBRA premium assistance credit](#) on page 8.

Advance payment of earned income credit (EIC). The option of receiving advance payroll payments of EIC expires on December 31, 2010. Individuals who received advance payments of EIC in 2010 must file a 2010 federal income tax return. Individuals eligible for EIC in 2011 can still claim the credit when they file their 2011 federal income tax return. In addition, if any of your employees expect to be eligible for the EIC and will have income tax withheld from wages in 2011, they may reduce their withholding in order to receive the benefit of a portion of the credit throughout the year.

Federal tax deposits must be made by electronic funds transfer. Beginning January 1, 2011, you must use electronic funds transfer to make all federal tax deposits (such as deposits of employment tax, excise tax, and corporate income tax). Forms 8109 and 8109-B, Federal Tax Deposit Coupon, cannot be used after December 31, 2010. Generally, electronic fund transfers are made using the Electronic Federal Tax Payment System (EFTPS). If you do not want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make deposits on your behalf. Also, you may arrange for your financial institution to initiate a same-day tax 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](#) on page 23. To get more information about EFTPS or to enroll in EFTPS, visit www.eftps.gov or call 1-800-555-4477. Additional information about EFTPS is also available in Publication 966, The Secure Way to Pay Your Federal Taxes.

FUTA tax rate. The FUTA tax rate will remain at 6.2% through June 30, 2011. The FUTA tax rate is scheduled to decrease to 6.0% beginning July 1, 2011. Visit IRS.gov for updated information.

Withholding allowance. The 2011 amount for one withholding allowance on an annual basis is \$3,700.

Aggregate Form 941 filers. Agents must complete Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 Filers, when filing an aggregate Form 941, Employer's QUARTERLY Federal Tax Return. Aggregate Forms 941 may only be filed by agents approved by the IRS under section 3504 of the Internal Revenue Code. To request approval to act as an agent for an employer, the agent files Form 2678, Employer/Payer Appointment of Agent, with the IRS.

Aggregate Form 940 filers. Agents must complete Schedule R (Form 940), Allocation Schedule for Aggregate Form 940 Filers, when filing an aggregate Form 940. 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, Employer/Payer Appointment of Agent, with the IRS.

Employers can choose to file Forms 941 instead of Form 944. If you previously were notified to file Form 944, Employer's ANNUAL Federal Tax Return, but want to file quarterly Forms 941, Employer's QUARTERLY Federal Tax Return, to report your social security, Medicare and withheld federal income taxes, you must first contact the IRS to request to file Forms 941, rather than Form 944. See Rev. Proc. 2009-51, 2009-45 I.R.B. 625, for the procedures for employers who previously were notified to file Form 944 to request to file Forms 941 instead. In addition, Rev. Proc. 2009-51 provides the procedures for employers to request to file Form 944. Rev. Proc. 2009-51 is available at www.irs.gov/irb/2009-45_IRB/ar12.html. Also see the Instructions for Form 944.

Calendar

The following is a list of important dates. Also see Publication 509, Tax Calendars.



If any date shown below for filing a return, furnishing a form, or depositing taxes falls on a Saturday, Sunday, or federal holiday, use the next business day. A statewide legal holiday delays a filing due date only if the IRS office where you are required to file is located in that state. However, a statewide legal holiday does not delay the due date of federal tax deposits. For any due date, you will 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 private delivery service on or before the due date. See [Private Delivery Services](#) on page 6 for more information.

By January 31

Furnish Forms 1099 and W-2. Furnish each employee a completed Form W-2, Wage and Tax Statement. Furnish each other payee a completed Form 1099 (for example, Form 1099-MISC, Miscellaneous Income).

File Form 941 or Form 944. File Form 941, Employer's QUARTERLY Federal Tax Return, 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, Employer's

ANNUAL Federal Tax Return, 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](#) on page 20. If you timely deposited all taxes when due, you have 10 additional calendar days from January 31 to file the appropriate return.

File Form 940. File Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return. However, if you deposited all of the FUTA tax when due, you have 10 additional calendar days to file.

File Form 945. File Form 945, Annual Return of Withheld Federal Income Tax, to report any nonpayroll income tax withheld in 2010. If you deposited all taxes when due, you have 10 additional calendar days to file. See [Nonpayroll Income Tax Withholding](#) on page 5 for more information.

By February 15

Request a new Form W-4 from exempt employees. Ask for a new Form W-4, Employee's Withholding Allowance Certificate, from each employee who claimed exemption from income tax withholding last year.

On February 16

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 has not given you a new Form W-4 for the current year. If the employee does not give you a new Form W-4, withhold tax based on the last valid Form W-4 you have for the employee that **does not** claim exemption from withholding or, if one does not exist, as if he or she is single with zero withholding allowances. See [section 9](#) for more information. If the employee furnishes a new Form W-4 claiming exemption from withholding after February 15, you may apply the exemption to future wages, but do not refund taxes withheld while the exempt status was not in place.

By February 28

File paper Forms 1099 and 1096. File Copy A of all paper Forms 1099 with Form 1096, Annual Summary and Transmittal of U.S. Information Returns, with the IRS. For electronically filed returns, see [March 31](#) below.

File paper Forms W-2 and W-3. File Copy A of all paper Forms W-2 with Form W-3, Transmittal of Wage and Tax Statements, with the Social Security Administration (SSA). 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](#) next.

By March 31

File electronic Forms 1099, 8027, and W-2. File electronic Forms 1099 and 8027 with the IRS. File electronic Forms W-2 with the SSA. For information on reporting Form W-2 information to the SSA electronically, visit the Social Security Administration's Employer W-2 Filing Instructions & Information webpage at

www.socialsecurity.gov/employer. For information on filing information returns electronically with the IRS, see Publication 1220, Specifications for Filing Forms 1097-BTC, 1098, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically, and Publication 1239, Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips Electronically.

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

Deposit FUTA taxes. Deposit federal unemployment (FUTA) tax due if it is more than \$500.

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 have 10 additional calendar days from the due dates above to file the return.

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.

Reminders

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 the Electronic Federal Tax Payment System (EFTPS) to your benefit.

- For *e-file*, visit www.irs.gov/efile for additional information.
- For EFTPS, visit www.eftps.gov or call EFTPS Customer Service at 1-800-555-4477.
- For electronic filing of Forms W-2, visit www.socialsecurity.gov/employer.

Electronic funds withdrawal (EFW). If you file Form 940, Form 941, or Form 944 electronically, you can e-file and e-pay (electronic funds withdrawal) the balance due in a single step using tax preparation software or through a tax professional. However, **do not** use EFW to make federal tax deposits. For more information on paying your taxes using EFW, visit the IRS website at www.irs.gov/e-pay. A fee may be charged to file electronically.

Credit and debit card payments. For information on paying your taxes with a credit or debit card, visit the IRS website at www.irs.gov/e-pay.

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

Publicación 17(SP), El Impuesto Federal sobre los Ingresos (Para Personas Físicas). For nonemployees, 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 will include completing the U.S. Citizenship and Immigration Services (USCIS) Form I-9, Employment Eligibility Verification. You can get the form from USCIS offices or by calling 1-800-870-3676. Contact the USCIS at 1-800-375-5283, or visit the USCIS website at www.uscis.gov for further information.

New hire reporting. You are required to report any new employee to a designated state new hire registry. Many states accept a copy of Form W-4 with employer information added. Visit the Office of Child Support Enforcement website at www.acf.hhs.gov/programs/cse/newhire for more information.

W-4 request. Ask each new employee to complete the 2011 Form W-4. See [section 9](#).

Name and social security number. Record each new employee's name and number 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, 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. 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 abatements 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](#) on page 17.

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. Do not withhold on direct rollovers from qualified plans or governmental section 457(b) plans. See [section 9](#) and Publication 15-A, Employer's Supplemental Tax Guide. Publication 15-A includes information about withholding on pensions and annuities.

Zero wage return. If you have not filed a "final" Form 941 or Form 944, or are not a "seasonal" employer, you must continue to file a Form 941 or Form 944 even for periods during which you paid no wages. IRS encourages you to file your "Zero Wage" Forms 941 or 944 electronically using IRS e-file at www.irs.gov/efile.

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			Page
<input type="checkbox"/>	Verify work eligibility of new employees	4	<input type="checkbox"/>	File Form 941 (pay tax with return if not required to deposit)	24
<input type="checkbox"/>	Record employees' names and SSNs from social security cards	4	Annually (see <i>Calendar</i> for due dates):		
<input type="checkbox"/>	Ask employees for Form W-4	4	<input type="checkbox"/>	Remind employees to submit a new Form W-4 if they need to change their withholding	16
Each Payday:			<input type="checkbox"/>	Ask for a new Form W-4 from employees claiming exemption from income tax withholding	17
<input type="checkbox"/>	Withhold federal income tax based on each employee's Form W-4	16	<input type="checkbox"/>	Reconcile Forms 941 (or Form 944) with Forms W-2 and W-3	26
<input type="checkbox"/>	Withhold employee's share of social security and Medicare taxes	19	<input type="checkbox"/>	Furnish each employee a Form W-2	2
<input type="checkbox"/>	Deposit:		<input type="checkbox"/>	File Copy A of Forms W-2 and the transmittal Form W-3 with the SSA	3
	• Withheld income tax		<input type="checkbox"/>	Furnish each other payee a Form 1099 (for example, Form 1099-MISC, Miscellaneous Income	2
	• Withheld and employer social security taxes		<input type="checkbox"/>	File Forms 1099 and the transmittal Form 1096	3
	• Withheld and employer Medicare taxes	20	<input type="checkbox"/>	File Form 940	29
Note: Due date of deposit generally depends on your deposit schedule (monthly or semiweekly)			<input type="checkbox"/>	File Form 945 for any nonpayroll income tax withholding	3
Annually (By January 31 of the current year, for the prior year):					
<input type="checkbox"/>	File Form 944 if required (pay tax with return if not required to deposit)	25			
Quarterly (By April 30, July 31, October 31, and January 31):					
<input type="checkbox"/>	Deposit FUTA tax if undeposited amount is over \$500	29			

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 2011 General Instructions for Certain Information Returns (Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G) for general information and the separate, specific instructions for each information return you file (for example, 2011 Instructions for Form 1099-MISC). Do not use Forms 1099 to report wages and other compensation you paid to employees; report these on Form W-2. See the 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, you must file them electronically. If you file 250 or more Forms W-2, you must file them electronically. SSA will not accept Forms W-2 and W-3 filed on magnetic media.

Information reporting customer service site. The IRS operates the Enterprise Computing Center-Martinsburg, a centralized 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) or 304-263-8700 (toll call). The center can also be reached by email at mccirp@irs.gov. Call 304-267-3367 if you are a TDD/TTY user.

Nonpayroll Income Tax Withholding

Nonpayroll federal income tax withholding must be reported on Form 945, Annual Return of Withheld Federal Income Tax. Form 945 is an annual tax return and the return for 2010 is due by January 31, 2011. Separate deposits are required for payroll (Form 941 or Form 944) and nonpayroll (Form 945) withholding. Nonpayroll items include:

- Pensions (including distributions from governmental section 457(b) plans), annuities, and IRAs.
- Military retirement.
- Gambling winnings.
- Indian gaming profits.
- Certain government payments, such as unemployment compensation, social security, and Tier 1 railroad retirement benefits, subject to voluntary withholding.
- Payments subject to backup withholding.

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

All income tax withholding reported on Forms 1099 or Form W-2G must also be reported on Form 945. All income tax withholding reported on Form W-2 must be reported on Form 941, Form 943, Form 944, or Schedule H (Form 1040).

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 are not wages and are reported on Forms 1099-R; income tax withheld must be reported on Form 945.

Backup withholding. You generally must withhold 28% 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, 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 does not 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, health savings accounts, 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 and to certify the number furnished is correct. You can also use Form W-9 or Formulario W-9(SP) to get certifications from payees that they are not subject to backup withholding or that they 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 Publication 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:

- Your employer identification number (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, social security numbers, 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 payers 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),
- Copies of employees' Earned Income Credit Advance Payment Certificates (Forms W-5 and W-5(SP)),
- Dates and amounts of tax deposits you made and acknowledgment numbers for deposits made by EFTPS,
- Copies of returns filed and confirmation numbers, and

- Records of fringe benefits and expense reimbursements provided to your employees, including substantiation.

Change of Address

To notify the IRS of a new business mailing address or business location, file Form 8822, Change of Address. Do not mail Form 8822 with your employment tax return.

Private Delivery Services

You can use certain private delivery services designated by the IRS to mail tax returns and payments. The list includes only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

Your private delivery service can tell you how to get written proof of the mailing date.



Private delivery services cannot 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. Telephone help is available using TTY/TDD equipment. You may call 1-800-829-4059 with any tax question or to order forms and publications. You may also use this number for assistance with unresolved tax problems.

Recorded tax information (TeleTax). The IRS TeleTax service provides recorded tax information on topics that answer many individual and business federal tax questions. You can listen to up to three topics on each call you make. Touch-Tone service is available 24 hours a day, 7 days a week. TeleTax topics are also available on the IRS website at www.irs.gov/taxtopics.

A list of employment tax topics is provided below. Select, by number, the topic you want to hear and call 1-800-829-4477. For the directory of all topics, select Topic 123.

Teletax Topics

Topic No.	Subject (These topics are available in Spanish)
751	Social Security and Medicare Withholding Rates (Tasas de retención del seguro social y Medicare, Tema)
752	Form W-2—Where, When, and How to File (Dónde, Cuándo y Cómo Presentar El La Formulario W-2)

Teletax Topics

Topic No.	Subject (These topics are available in Spanish)
753	Form W-4—Employee's Withholding Allowance Certificate (Formulario W-4(SP)—Certificado de Exención de Retenciones del Empleado)
755	Employer Identification Number (EIN)—How to Apply (Como Solicitar Un Número de Identificación Patronal (EIN))
756	Employment Taxes for Household Employees (Impuestos Patronales para Empleados Domésticos)
757	Form 941 and Form 944—Deposit Requirements (Formulario 941 and Formulario 944—Requisitos de Depósito)
758	Form 941—Employer's QUARTERLY Federal Tax Return and Form 944—Employer's ANNUAL Federal Tax Return (Formulario 941-PR—Planilla para la Declaración Federal TRIMESTRAL del Patrono) (Formulario 944-PR-Planilla para la Declaración Federal ANUAL del Patrono)
759	A New Tax Exemption and Business Credit are Available for Qualified Employers Under "The HIRE Act" of 2010 (Nueva exención tributaria y crédito comercial para empleadores calificados disponibles bajo la Ley de Incentivos para la Contratación y Recuperación del Empleo del 2010 (HIRE, por sus siglas en inglés))
760	FICA Tax Refunds for "Medical Residents" (Ley de Impuestos al Seguro Social—Reclamaciones de reembolsos e impuestos para médicos residentes que son empleados)
761	Tips—Withholding and Reporting (Propinas—Declaración y Retención)
762	Independent Contractor vs. Employee (Contratista Independiente vs. Empleado)
763	The "Affordable Care Act" of 2010 Offers Employers New Tax Deductions and Credits (Ley de Cuidado de Salud a Costo Asequible del 2010 ofrece a los empleadores deducciones y créditos tributarios nuevos)

Additional employment tax information. Visit the IRS website at www.irs.gov/businesses and click on the *Employment Taxes* link.

Ordering Employer Tax Products

You can order employer tax products and information returns online at www.irs.gov/businesses. To order 2010 and 2011 forms, select "Online Ordering for Information Returns and Employer Returns." You may also order employer tax products and information returns by calling 1-800-829-3676.

Instead of ordering paper Forms W-2 and W-3, consider filing them electronically using the Social Security Administration's (SSA) free e-file service. Visit the SSA's Employer W-2 Filing Instructions & Information website at www.socialsecurity.gov/employer, select "Electronically File Your W-2s," and provide registration information. You

will 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.

Contacting Your Taxpayer Advocate

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe an IRS system or procedure is not working as it should.

You can contact TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059 to see if you are eligible for assistance. You can also call or write to your local taxpayer advocate, whose phone number and address are listed in your local telephone directory and in Publication 1546, Taxpayer Advocate Service – Your Voice at the IRS. You can file Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), or ask an IRS employee to complete it on your behalf. For more information, go to www.irs.gov/advocate.

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 are including a payment with your return. There are separate filing addresses for these returns if you are a tax-exempt organization or government entity. If you are located in the United States and do not include a payment with your return, you should file at either the Cincinnati or Ogden Service Centers. See the separate instructions for Forms 940, 941, 943, 944, 945, or CT-1 for the filing addresses or “Where To File” on the IRS website at www.irs.gov/business.

Photographs of Missing Children

The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. 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.

Comments and Suggestions

We welcome your comments about this publication and your suggestions for future editions. You can email us at *taxforms@irs.gov. (The asterisk must be included in the address.) Please put “Publications Comment” on the subject line.

You can write to us at the following address:

Internal Revenue Service
Tax Products Coordinating Committee
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We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

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 SSA. This guide also has tax tables you need to figure the taxes to withhold from each employee for 2011. 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.

Additional employment tax information is available in Publication 15-A, Employer’s Supplemental Tax Guide. Publication 15-A includes specialized information supplementing the basic employment tax information provided in this publication. Publication 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.
- Federal unemployment tax (FUTA).

There are exceptions to these requirements. See section 15, [Special Rules for Various Types of Services and Payments](#). Railroad retirement taxes are explained in the Instructions for Form CT-1.

Employer’s liability. Employers are responsible for ensuring tax returns are filed and deposits and payments are made, even if the employer retains a third party to perform those functions. The employer remains liable if the third party fails to perform a required action. Employers who enroll in EFTPS will be able to view EFTPS deposits and payments made on their behalf.

Federal Government employers. The information in this guide applies to federal agencies, except for the rules requiring deposit of federal taxes only at Federal Reserve banks or through the FedTax option of the Government On-Line Accounting Link Systems (GOALS). See the Treasury Financial Manual (I TFM 3-4000) for more information.

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 federal unemployment (FUTA) tax. Most elected and appointed public officials of state or local governments are employees under common law rules. See chapter 3 of Publication 963, Federal-State Reference Guide. In addition, wages, with certain exceptions, are subject to social security and Medicare taxes. See [section 15](#) of this guide 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 www.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 www.ncsssa.org.

Disregarded entities and qualified subchapter S subsidiaries. The IRS has published final regulations section 301.7701-2(c)(2)(iv), under which QSubs and eligible single-owner disregarded entities are treated as separate entities for employment tax purposes. Under these regulations, eligible single-member entities that have not elected to be taxed as corporations must report and pay employment taxes on wages paid to their employees after December 31, 2008, using the entities' own names and EINs. The disregarded entity will be responsible for its own employment tax obligations on wages paid after December 31, 2008. For wages paid before January 1, 2009, see Publication 15 (Circular E), For Use in 2008.

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.

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. The employer takes the credit on line 12a of Form 941 or line 11a of Form 944 once the 35% of the premium is paid by or on behalf of the assistance eligible individual. 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 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, visit IRS.gov and enter the keyword *COBRA*.

1. Employer Identification Number (EIN)

If you are required to report employment taxes or give tax statements to employees or annuitants, you need an employer identification number (EIN).

The EIN is a 9-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 SSA. For more information, see Publication 1635, Understanding Your EIN.

If you do not have an EIN, you may apply for one online. Go to the IRS.gov and click on the *Apply for an Employer Identification Number (EIN) Online* link. You may also apply for an EIN by calling 1-800-829-4933, or you can fax or mail Form SS-4, Application for Employer Identification Number, to the IRS. Do not use a social security number (SSN) in place of an EIN.

You should have only one EIN. If you have more than one and are not sure which one to use, call 1-800-829-4933 (TTY/TDD users can call 1-800-829-4059). 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.

If you took over another employer's business (see [Successor employer](#) in [section 9](#)), do not use that employer's EIN. If you have applied for an EIN but do not have your EIN by the time a return is due, 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 Publication 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 Publication 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 are not 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 does not matter what it is called. The employee may be called an agent or independent contractor. It also does not matter how payments are measured or paid, what they are called, or if the employee works full or part time.

Statutory employees. If someone who works for you is not an employee under the common law rules discussed on page 8, do not withhold federal income tax from his or her pay, unless backup withholding applies. Although the following persons may not be common law employees, they may be 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 items for resale or use as supplies 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 are generally treated as self-employed for all federal tax purposes, including income and employment taxes.

Treating employees as nonemployees. You will generally be liable for social security and Medicare taxes and withheld income tax if you do not deduct and withhold these taxes because you treated an employee as a non-employee. You may be able to calculate your liability using special 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 cannot recover the employee share of social security, or Medicare tax, or income tax withholding from the employee if the tax is paid under section 3509. You are 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 Internal Revenue Code section 3509 for details. Also see the Instructions for Form 941-X.

Section 3509 rates are not 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. Section 3509 is not available

for reclassifying statutory employees. See [Statutory employees](#), earlier.

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

- For social security taxes; employer rate of 6.2% plus 20% of the employee rate of 6.2% (4.2% for 2011), for a total rate of 7.44% (7.04% for 2011) 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 income tax withholding, the rate is 1.5% of wages.

If the employer did not issue required information returns, the section 3509 rates are:

- For social security taxes; employer rate of 6.2% plus 40% of the employee rate of 6.2% (4.2% for 2011), for a total rate of 8.68% (7.88% for 2011) 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 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 Publication 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, *Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding*.

Husband-Wife Business

If you and your spouse jointly own and operate a business and share in the profits and losses, you are partners in a partnership, whether or not you have a formal partnership agreement. See Publication 541, *Partnerships*, 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 a husband and a wife 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 a husband and wife who file a joint income tax return,
- Both spouses materially participate (see Material Participation on page C-3, line G of the instructions for Schedule C) in the trade or business (mere joint ownership of property is not enough),
- Both spouses elect to not be treated as a partnership, and
- The business is co-owned by both spouses and is not 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 do not 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 will not 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, you must pay social security and Medicare taxes for him or her. For more information on qualified joint ventures, visit IRS.gov and enter the keywords *QJV election* in the search box.

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](#), earlier.

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 are not 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 are not subject to social security and Medicare taxes until the child reaches age 21. However, see [Covered services of a child or spouse](#) below. 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, are not subject to federal unemployment (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 is not 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, are not 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, cannot 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 are not subject to FUTA tax, regardless of the type of services provided.

4. Employee's Social Security Number (SSN)

You are 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.



Do not accept a social security card that says "Not valid for employment." A social security number issued with this legend does not permit employment.

You may, but are not required to, photocopy the social security card if the employee provides it. If you do not provide the correct employee name and SSN on Form W-2, you may owe a penalty unless you have reasonable cause. See Publication 1586, Reasonable Cause Regulations and 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 does not 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 this form at SSA offices, by calling 1-800-772-1213, or from the SSA website at www.socialsecurity.gov/online/ss-5.html. The employee must complete and sign Form SS-5; it cannot be filed by the employer.

Applying for a social security number. If you file Form W-2 on paper and your employee applied for an SSN but does not have one when you must file Form W-2, enter "Applied For" on the form. If you are filing electronically, enter all zeros (000-00-000) in the social security number 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 five 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 www.socialsecurity.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 number of each employee as they are shown on the employee's social security card. If the employee's name is not correct as shown on the card (for example, because of marriage or divorce), the employee should request a corrected card from the SSA. Continue to report the employee's wages under the old name until the employee shows you an updated social security card with the new name.

If the SSA issues the employee a replacement card after a name change, or a new card with a different social security number 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 is not 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. Do not 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 are not eligible for U.S. employment and need identification for other tax purposes. You can identify an ITIN because it is a 9-digit number, beginning with the number "9" with either a "7" or "8" as the fourth digit and is formatted like an SSN (for example, 9NN-7N-NNNN).



An individual with an ITIN who later becomes eligible to work in the United States must obtain an SSN.

Verification of social security numbers. The SSA offers employers and authorized reporting agents three methods for verifying employee SSNs. Some verification methods require registration. For more information, call 1-800-772-6270.

- **Internet.** Verify up to 10 names and numbers (per screen) online using the Social Security Number Verification Service (SSNVS) and receive immediate results, or upload batch files of up to 250,000 names and numbers and usually receive results the next business day. Visit www.socialsecurity.gov/employer/ssnv.htm for more information.
- **Telephone.** Verify up to ten names and numbers with Telephone Number Employer Verification (TNEV) by calling 1-800-772-6270 or 1-800-772-1213.

- **Paper.** Verify up to 300 names and numbers by submitting a paper request. For information, see Appendix A in the SSNVS handbook at www.socialsecurity.gov/employer/ssnvshandbk/appendix.

Registering for SSNVS and TNEV. You must register online and receive authorization from your employer to use SSNVS or TNEV. To register, visit SSA's website at www.ssa.gov/employer and click on the *Business Services Online* link. Follow the registration instructions to obtain a user Identification (ID) and password. You will need to provide the following information about yourself and your company.

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

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

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 does not 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 federal unemployment 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. Publication 15-A provides additional information on wages, including nonqualified deferred compensation, and other compensation. Publication 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,
- Group-term life insurance coverage,

- Health Savings Accounts,
- Lodging on your business premises,
- Meals,
- Moving expense reimbursements,
- 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 paid for the expense and must not be an amount that would have otherwise been paid by the employee.
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 are not wages and are not subject to the withholding and payment of income, social security, Medicare, and federal unemployment (FUTA) taxes.

If the expenses covered by this arrangement are not substantiated (or amounts in excess of substantiated expenses are not 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 the withholding and payment of 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 the withholding and payment of income, social security, Medicare, and FUTA taxes. Your payments are treated as paid under a nonaccountable plan if:

- Your employee is not required to or does not substantiate timely those expenses to you with receipts or other documentation,
- You advance an amount to your employee for business expenses and your employee is not required to or does not return timely any amount he or she does not use for business expenses, or
- 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.
- 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 does not exceed rates established by the Federal Government. The 2010 standard mileage rate for auto expenses was 50 cents per mile. The rate for 2011 is 51 cents per mile. The government per diem rates for meals and lodging in the continental United States are listed in Publication 1542, Per Diem Rates. 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).

If the per diem or allowance paid exceeds the amounts specified, 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 specified 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 are 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 are 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.

Moving expenses. Reimbursed and employer-paid qualified moving expenses (those that would otherwise be deductible by the employee) paid under an accountable plan are not includible in an employee's income unless you have knowledge the employee deducted the expenses in a prior year. Reimbursed and employer-paid nonqualified moving expenses are includible in income and are subject to employment taxes and income tax withholding. For more information on moving expenses, see Publication 521, Moving Expenses.

Meals and lodging. The value of meals is not taxable income and is not 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 is not 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 is not 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 is not subject to federal income tax withholding or employment taxes. For more information, see Publication 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 are not wages and are not 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) are not 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 will be excludable from the income of the employee. To the extent it is not reasonable to believe they will 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 are not wages and are not subject to employment taxes or withholding. For more information, see the Instructions for Form 8889, Health Savings Accounts (HSAs).

Medical care reimbursements. Generally, medical care reimbursements paid for an employee under an employer's self-insured medical reimbursement plan are not wages and are not subject to social security, Medicare, and FUTA taxes, or income tax withholding. See Publication 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 are not subject to social security, Medicare, or FUTA taxes. Employers should report differential wage payments on Form W-2 in box 1. For more information about the tax treatment of differential wage payments, visit IRS.gov and enter the keywords *Employers with Employees in a Combat Zone*.

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 benefits 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 Publication 15-B for more information.

Nontaxable fringe benefits. Some fringe benefits are not taxable (or are minimally taxable) if certain conditions are met. See Publication 15-B for details. Examples include:

1. Services provided to your employees at no additional cost to you,
2. Qualified employee discounts,
3. Working condition fringes that are property or services the employee could deduct as a business expense if he or she had paid for it. Examples include a company car for business use and subscriptions to business magazines,
4. Certain minimal value fringes (including an occasional cab ride when an employee must work overtime, local transportation benefits provided because of unsafe conditions and unusual circumstances, and meals you provide at eating places you run for your employees if the meals are not furnished at below cost),
5. Qualified transportation fringes subject to specified conditions and dollar limitations (including transportation in a commuter highway vehicle, any transit pass, and qualified parking),
6. Qualified moving expense reimbursement. See [Moving expenses](#), on page 12 for details,
7. The use of on-premises athletic facilities, if substantially all of the use is by employees, their spouses, and their dependent children, and
8. Qualified tuition reduction an educational organization provides to its employees for education. For more information, see Publication 970, Tax Benefits for Education.

However, do not 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 (item 1 above).
- Qualified employee discounts (item 2 above).

- Meals provided at an employer operated eating facility (included in item 4 on page 13).
- Reduced tuition for education (item 8 on page 13).

For more information, including the definition of a highly compensated employee, see Publication 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 do not have to make a formal choice of payment dates or notify the IRS of the dates you choose. You do not 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 Publication 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 25% supplemental wage rate. However, see [Withholding on supplemental wages when an employee receives more than \\$1,000,000 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 Publication 15-B for more information on this election.

Depositing taxes on fringe benefits. Once you choose when fringe benefits are paid (discussed above), 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 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. Sick pay becomes exempt from these taxes after the end of 6 calendar months after the calendar month the employee last worked for the employer. The payments are always subject to federal income tax. See Publication 15-A for more information.

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, Employee's Report of Tips to Employer, 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 or period 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 Publication 1244, Employee's Daily Record of Tips.



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

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 2011 reach \$106,800; collect the income and employee Medicare taxes for the whole year on all wages and tips. You are responsible for the employer social security tax on wages and tips until the wages (including tips) reach the limit. You are 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 do not have enough employee funds available to deduct the employee tax, you no longer have to collect it. If there are not 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 lines 5b and 5c of Form 941 (lines 4b and 4c of Form 944). Report an adjustment on line 7c of Form 941 (line 6 of the 2010 Form 944) for the uncollected social security and Medicare taxes. Enter the amount of uncollected social security and Medicare taxes in box 12 of Form W-2 with codes A and B. See [section 13](#) and the Instructions for Forms W-2 and W-3.

Allocated tips. If you operate a large food or beverage establishment, you must report allocated tips under certain

circumstances. However, do not 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.

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. Additionally, the IRS is offering an expanded tip reporting and education program for food and beverage industry employers called the Attributed Tip Income Program (ATIP). ATIP has simple enrollment requirements and procedures. To find out more about the program, or to identify the IRS Tip Coordinator for your state, call the IRS at 1-800-829-4933. To get more information about TRDA and TRAC agreements See Pub 3144, *Tips on Tips*. For more information on ATIP agreements see Publication 1461, *ATIP Attributed Tip Income Brochure*. Additionally you can access IRS.gov and enter the keywords *MSU tips* to get more information about ATIP, GITCA, TRDA, or TRAC agreements.

7. Supplemental Wages

Supplemental wages are wage payments to an employee that are not regular wages. They include, but are not 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 www.irs.gov/irb/2008-24_IRB/ar08.html.

Withholding on supplemental wages when an employee receives more than \$1,000,000 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 \$1,000,000. If a supplemental wage payment, together with other supplemental wage payments made to the employee during the calendar year, exceeds \$1,000,000, the excess is subject to withholding at 35% (or the highest rate of income tax for the year). Withhold using the 35% 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 www.irs.gov/irb/2006-37_IRB/ar09.html.

Withholding on supplemental wage payments to an employee who does not receive \$1,000,000 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 \$1,000,000, 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 do not 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 25% (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 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 did not withhold income tax from the employee's regular wages in the current or immediately preceding calendar year, use method 1-b above. 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 are 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 \$54 from this amount. In February, he receives salary of \$1,000 plus a commission of \$2,000, which you combine with regular wages and do not separately identify. You figure the withholding based on the total of \$3,000. The correct withholding from the tables is \$345.

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 \$195. On May 14 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 \$345 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 ($\$345 - \$195 = \$150$).
4. Withhold \$150 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 25% of \$1,000, or \$250, 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 28. 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 \$811 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
($\$811 - \$195 - \$150 = \466).
4. Withhold \$466 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 have not 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 on page 15.

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 does not work the full period.

No regular payroll period. When you do not 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 is not 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

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, Employee's Withholding Allowance Certificate, on file for each employee. Encourage your employees to file an updated Form W-4 for 2011, especially if they owed taxes or received a large refund when filing their 2010 tax return. Advise your employees to use the Withholding Calculator on the IRS website at www.irs.gov/individuals 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 does not 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), Certificado de Exención de Retenciones del Empleado, in place of Form W-4, to your Spanish-speaking employees. For more information, see Publicación 17(SP), El Impuesto Federal sobre los Ingresos (Para Personas Físicas). 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, do not 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.



A Form W-4 that makes a change for the next calendar year will not take effect in the current calendar year.

Successor employer. If you are a successor employer (see [Successor employer](#) on page 19), secure new Forms W-4 from the transferred employees unless the “Alternative Procedure” in section 5 of Revenue Procedure 2004-53 applies. See Revenue Procedure 2004-53, 2004-34 I.R.B. 320, available at 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 are 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 Publication 505, Tax Withholding and Estimated Tax, for more information about completing Form W-4. Along with Form W-4, you may wish to order Publication 505 and Publication 919, How Do I Adjust My Tax Withholding, for use by your employees.

Do not 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, Estimated Tax for Individuals.

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](#) on page 19.

A Form W-4 claiming exemption from withholding is effective when it is filed with the employer and only for that calendar year. To continue to be exempt from withholding in the next calendar year, an employee must give you a new Form W-4 by February 15. If the employee does not give you a new Form W-4 by February 15, begin withholding based on the last Form W-4 for the employee that did not claim an exemption from withholding or, if one was not filed, 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 February 16 or later, you may apply it to future wages but do not refund any taxes already withheld.

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 Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, for exceptions to this general rule.

Withholding Adjustment for Nonresident Aliens. For 2011, apply the procedure discussed below 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 are not 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 following chart 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	\$ 40.40
Biweekly	80.80
Semimonthly	87.50
Monthly	175.00
Quarterly	525.00
Semiannually	1,050.00
Annually	2,100.00
Daily or Miscellaneous (each day of the payroll period)	8.10

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. Percentage Method—2011 Amount for One Withholding Allowance](#) shown on pages 35. If you are using the [Percentage Method Tables for Income Tax Withholding](#), provided on pages 36–37, 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 are using the [Wage Bracket Method for Income Tax Withholding](#), provided on pages 38–57, use the amount figured *Step 1* and the number of withholding allowances to figure income tax withholding.

The amounts added under 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 above should not be included in any box on the employee's Form W-2 and do not increase the income tax liability of the employee. Also, these chart amounts do not increase the social security, Medicare, or FUTA tax liability of the employer or the employee.

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 line 6 of Form W-4 (see [Nonresident alien employee's Form W-4](#) later). The employer determines the wages to be used in the withholding tables by adding to the \$500 amount of wages paid the amount of \$80.80 from the chart above (\$580.80 total). The employer then applies the applicable tables to determine the income tax withholding for nonresident aliens (see *Step 2* above). **Reminder:** 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 \$80.80 added to wages for calculating income tax withholding is not reported on Form W-2, and does not increase the income tax liability of the employee. The \$80.80 added amount also does not affect the social security tax, Medicare tax, or FUTA tax liability of the employer or the employee.

Supplemental wage payment. This procedure for determining the amount of income tax withholding does not apply to a supplemental wage payment (see [section 7](#)) if the 35% mandatory flat rate withholding applies or if the 25% 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 are single, regardless of their actual marital status,
- Claim only one allowance (if the nonresident alien is a resident of Canada, Mexico, or Korea, 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 in lieu 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 should not 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, Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, with respect to the income exempt under the treaty, instead of Form W-4. See Publication 515 for details.

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 a revenue procedure or notice published in the Internal Revenue Bulletin. 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](#) on page 19). However, if the IRS later notifies you in writing the employee is not 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 notice (commonly referred to as a "lock-in letter").

Initial lock-in letter. The IRS also uses information reported on Form W-2 to identify employees with withholding compliance problems. In some cases, if a serious under-withholding 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 must furnish this notice 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.

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

- You are 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 does not exceed 12 months or the employee has a right to reemployment 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 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 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 does not 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 www.irs.gov/irb/2007-35_IRB/ar10.html.

Substitute Forms W-4. You are encouraged to have your employees use the official version of Form W-4 to claim

withholding allowances or exemption from withholding. Call the IRS at 1-800-829-3676 or visit IRS.gov to obtain copies of Form W-4.

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 cannot 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.

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 indicates in any way 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, do not use it to figure federal income tax withholding. Tell the employee it is invalid and ask for another one. If the employee does not give you a valid one, withhold taxes as if the employee was single and claiming no 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. Publication 1494 (2010), Tables for Figuring Amount Exempt From Levy on Wages, Salary, and Other Income—Forms 668-W(ACS), 668-W(c)(DO), and 668-W(ICS), shows the exempt amount. 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 Publication 1494 to compute 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 are 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 are not subject to social security and Medicare taxes. See [sections 5](#) and [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.

The 2011 employee tax rate for social security is 4.2% (amount withheld). The 2011 employer tax rate for social security is 6.2% (10.4% total). The 2011 wage base limit is \$106,800, unchanged from 2010.

The 2011 employee tax rate for Medicare is 1.45% (amount withheld). The 2011 employer tax rate for Medicare tax is also 1.45% (2.9% total). There is no wage base limit for Medicare tax; all covered wages are subject to Medicare tax.

Successor employer. If you received all or most of the property used in the trade or business of another employer, or a unit of that employer's trade or business, you may include the wages the other employer paid to your acquired employees before the transfer of property when you figure the annual wage base limit for social security. 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 www.irs.gov/irb/2004-34_IRB/ar13.html.

Example. Early in 2011, 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 \$104,800 (\$106,800 minus \$2,000). Medicare tax is due on all of the wages you pay him during the calendar year.

Withholding of social security and Medicare taxes on nonresident aliens. In general, if you pay wages to nonresident alien employees, you must withhold federal social security and Medicare taxes as you would for a U.S. citizen. However, see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, 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 www.socialsecurity.gov/international or see section 7 of Publication 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 Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

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

For federal income tax withholding and social security, Medicare, and federal unemployment (FUTA) tax purposes, there are no differences among full-time employees, part-time employees, and employees hired for short periods. It does not matter whether the worker has another job or has the maximum amount of social security tax withheld by another employer. 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 Publication 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 do not have to notify employees who claim exemption from withholding on Form W-4 about the EIC, you are encouraged to notify any employees whose wages for 2010 were less than \$43,352 (\$48,362 if married filing jointly) that they may be eligible to claim the credit for 2010. This is because eligible employees may get a refund of the amount of EIC that is more than the tax they owe.

You will 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 will 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 does not 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 is not 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 is not required, you must notify the employee by February 7, 2011.

11. Depositing Taxes

In general, you must deposit federal income tax withheld and both the employer and employee social security and Medicare taxes. You must use electronic funds transfer to make all federal tax deposits. See [How To Deposit](#) on page 23 for information on electronic deposit requirements.



The credit against employment taxes for COBRA assistance payments you take on line 12a of Form 941 or line 11a of Form 944 is treated as a deposit of taxes on the first day of your return period. See [COBRA premium assistance credit](#) on page 8 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 preceding quarter is less than \$2,500, and you did not incur a \$100,000 next-day deposit obligation during the current quarter. If you are not sure your total tax liability for the current quarter will be less than \$2,500, (and your liability for the preceding quarter was not less than \$2,500), make deposits using the semi-weekly or monthly rules so you won't be subject to failure to deposit penalties.
- You are a monthly schedule depositor (defined below) and make a payment in accordance with the [Accuracy of Deposits Rule](#) discussed on page 23. 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 failure-to-deposit penalties 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. Do not combine deposits for Forms 941 (or Form 944) and 945 tax liabilities. Generally, the deposit rules for nonpayroll liabilities are the same as discussed below, except the rules apply to an annual rather than a quarterly return period. Thus, the \$2,500 threshold for the deposit requirement discussed earlier 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 are 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 on page 21. Your deposit schedule is not determined by how often you pay your employees or make deposits. See special rules for Forms 944 and 945, later. See [Application of Monthly and Semiweekly Schedules](#) on page 22.



These rules do not apply to federal unemployment (FUTA) tax. See [section 14](#) for information on depositing FUTA tax.

Lookback period. If you are a Form 941 filer, your deposit schedule for a calendar year is determined from the total taxes reported on line 8 of your Forms 941 in a 4-quarter lookback period. The lookback period begins July 1 and ends June 30 as shown in Table 1 on page 21. If you reported \$50,000 or less of taxes for the lookback period, you are a monthly schedule depositor; if you reported more than \$50,000, you are a semiweekly schedule depositor.

Table 1. Lookback Period for Calendar Year 2011

Lookback Period				2011 Calendar Year Jan. – Dec.
2009		2010		
July 1 ↓ Sep. 30	Oct. 1 ↓ Dec. 31	Jan. 1 ↓ Mar. 31	Apr. 1 ↓ June 30	



The lookback period for a 2011 Form 941 filer who filed Form 944 in either 2009 or 2010 is calendar year 2009.

If you are 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 line 8 of your Form 941 for all 4 quarters of that year or line 7 of your Form 944 for that year). The lookback period for 2011 for a Form 944 filer is calendar year 2009. If you reported \$50,000 or less of taxes for the lookback period, you are a monthly schedule depositor; if you reported more than \$50,000, you are a semiweekly schedule depositor.

If you are a Form 945 filer, your deposit schedule for a calendar year is determined from the total taxes reported on line 4 of your Form 945 for the second preceding calendar year. The lookback period for 2011 for a Form 945 filer is calendar year 2009.

Adjustments and the lookback rule. Adjustments made on Forms 941-X and Form 944-X do not 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 2011, 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 2011 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.

Monthly Deposit Schedule

You are a monthly schedule depositor for a calendar year if the total taxes on line 8 of Form 941 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 on Business Days Only](#) on page 22 and the [\\$100,000 Next-Day Deposit Rule](#) on page 22.

Monthly schedule depositors should not file Form 941 or Form 944 on a monthly basis. Also, do not file Form 941-M, Employer's Monthly Federal Tax Return, unless you are instructed to do so by an IRS representative.

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 are a monthly schedule depositor for the first calendar year of your business. However, see the [\\$100,000 Next-Day Deposit Rule](#) on page 22.

Semiweekly Deposit Schedule

You are a semiweekly schedule depositor for a calendar year if the total taxes on line 8 of Form 941 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 on Business Days Only](#) on page 22.

Note. 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 2 quarters. If you have more than one pay date during a semiweekly period and the pay dates fall in different calendar quarters, you will need to make **separate deposits** for the separate liabilities.

Example. If you have a pay date on Wednesday, March 30, 2011 (first quarter), and another pay date on Friday, April 1, 2011 (second quarter), two separate deposits would be required even though the pay dates fall within the same semiweekly period. Both deposits would be due Wednesday, April 6, 2011 (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*).
2. Add the total taxes from line 8, Form 941 you reported during the lookback period.
3. Determine if you are a monthly or semiweekly schedule depositor:

If the total taxes you reported in the lookback period were	Then you are 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:

2010 Lookback Period		2011 Lookback Period	
3rd Quarter 2008	\$12,000	3rd Quarter 2009	\$12,000
4th Quarter 2008	12,000	4th Quarter 2009	12,000
1st Quarter 2009	12,000	1st Quarter 2010	12,000
2nd Quarter 2009	<u>12,000</u>	2nd Quarter 2010	<u>15,000</u>
	\$48,000		\$51,000

Rose Co. is a monthly schedule depositor for 2010 because its tax liability for the 4 quarters in its lookback period (third quarter 2008 through second quarter 2009) was not more than \$50,000. However, for 2011, Rose Co. is a semiweekly schedule depositor because the total taxes exceeded \$50,000 for the 4 quarters in its lookback period (third quarter 2009 through second quarter 2010).

Deposits on Business Days Only

If a deposit is required to be made on a day that is not 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 to make a deposit. If any of the 3 weekdays after the end of a semiweekly period is a legal holiday, you will 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. Legal holidays for 2011 are listed below.

- January 17— Birthday of Martin Luther King, Jr.
- February 21— Washington’s Birthday
- April 15— District of Columbia Emancipation Day
- May 30— Memorial Day
- July 4— Independence Day
- September 5— Labor Day
- October 10— Columbus Day
- November 11— Veterans’ Day
- November 24— Thanksgiving Day
- December 26— Christmas Day (observed)

Special rule for 2011. Notice 2010-87 provides that the IRS will not assert penalties for deposits due during calendar year 2011 that are untimely solely because the depositor relied on a statewide legal holiday rather than a legal holiday in the District of Columbia.

Application of Monthly and Semiweekly Schedules

The terms “monthly schedule depositor” and “semiweekly schedule depositor” do not refer to how often your business pays its employees or even how often you are 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 March but did not pay any wages during April. Under the monthly deposit schedule, Spruce Co. must deposit the combined tax liabilities for the four March paydays by April 15. Spruce Co. does not have a deposit requirement for April (due by May 15) because no wages were paid and, therefore, it did not have a tax liability for April.

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 29, 2011 (Friday), payday must be deposited by May 4, 2011 (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](#) on page 21), you must deposit the tax by the next business day, whether you are a monthly or semiweekly schedule depositor.

For purposes of the \$100,000 rule, do not 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 does not 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 is not 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 are 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 April 4, 2011. On April 8, it paid wages for the first time and accumulated a tax liability of \$40,000. On Friday, April 15, 2011, 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 April 15, it became a semi-weekly schedule depositor on April 16. It will be a semi-weekly schedule depositor for the remainder of 2011 and for 2012. Elm, Inc., is required to deposit the \$100,000 by Monday, April 18, the next business day.

Accuracy of Deposits Rule

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

- Any deposit shortfall does not 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 below.

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 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 July 2011, the shortfall makeup date is August 17, 2011 (Wednesday). However, if the shortfall occurred on the required April 1 (Friday) deposit due date for a March 28 (Monday) pay date, the return due date for the March 28 pay date (May 2) would come before the May 18 (Wednesday) shortfall makeup date. In this case, the shortfall must be deposited by May 2, 2011.

How To Deposit

You must deposit employment taxes, including Form 945 taxes, by electronic funds transfer. See [Payment with return](#) on page 20 for exceptions explaining when taxes may be paid with the tax return instead of being deposited.

Electronic deposit requirement. You must use electronic funds transfer to make all federal tax deposits (such as deposits of employment tax, excise tax, and corporate income tax). Generally, electronic fund transfers are made using the Electronic Federal Tax Payment System (EFTPS). If you do not want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make deposits on your behalf.

If you fail to make a timely deposit, you may be subject to a 10% failure-to-deposit penalty. EFTPS is a free service provided by the Department of Treasury. To get more information or to enroll in EFTPS, call 1-800-555-4477. You can also visit the EFTPS website at www.eftps.gov.

When you receive your EIN. If you are a new employer that indicated a federal tax obligation when requesting an EIN, you will be pre-enrolled in EFTPS. You will receive information in your Employer Identification Number (EIN) Package about Express Enrollment 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. Be sure to tell your payroll provider about your EFTPS enrollment.

Deposit record. For your records, an Electronic Funds Transfer (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 initiate 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 payment option. If you fail to initiate 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 Application (FTA). If you ever need the same-day payment method, you will 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 will need to provide to your financial institution to make a same-day wire payment, visit www.eftps.gov to download the *Same-Day Payment Worksheet*.

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. Do not ask EFTPS to request a refund from the IRS for you.

Deposit Penalties



Although the deposit penalties information provided below refers specifically to Form 941, these rules also apply to Form 945 and Form 944 (if the employer required to file Form 944 does not qualify for the exception to the deposit requirements discussed under [Payment with return](#) on page 20).

Penalties may apply if you do not make required deposits on time or if you make deposits for less than the required amount. The penalties do not apply if any failure to make a proper and timely deposit was due to reasonable cause and not to willful neglect. The IRS may also waive penalties if you inadvertently fail to deposit in the first quarter you were required to deposit any employment tax, or in the first quarter during which your frequency of deposits changed, if you timely filed your employment tax return.

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. Also applies to amounts paid within 10 days of the date of the first notice the IRS sent asking for the tax due.

- 10% -** Deposits paid directly to the IRS, or paid with your tax return. But see [Payment with return](#) on page 20 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 failure-to-deposit penalty will not 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 a failure-to-deposit 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 www.irs.gov/pub/irs-irbs/irb01-50.pdf.

Example. Cedar, Inc. is required to make a deposit of \$1,000 on June 15 and \$1,500 on July 15. It does not make the deposit on June 15. On July 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 July 15 deposit and the remaining \$500 is applied to the June deposit. Accordingly, \$500 of the June 15 liability remains undeposited. The penalty on this underdeposit will apply as explained on page 23.

Trust fund recovery penalty. If federal income, social security, and Medicare taxes that must be withheld are not withheld or are not deposited or paid to the United States Treasury, the trust fund recovery penalty may apply. The penalty is the full amount of the unpaid trust fund tax. This penalty may apply to you if these unpaid taxes cannot 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, and 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. 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 are not taking place.

Separate accounting when deposits are not made or withheld taxes are not paid. Separate accounting may be required if you do not 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 would also have to file monthly tax returns on Form 941-M, Employer's Monthly Federal Tax Return.



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

“Averaged” failure-to-deposit penalty. IRS may assess an “averaged” failure-to-deposit (FTD) penalty of 2% to 10% if you are a monthly schedule depositor and did not properly complete line 17 of Form 941 when your tax liability (line 10) shown on Form 941 equaled or exceeded \$2,500.

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

- Completed line 17 of Form 941 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 line 10 of Form 941 equally throughout the tax period. As a result, your deposits and payments may not be counted as timely because the actual dates of your tax liabilities cannot 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 are a monthly schedule depositor, report your tax liabilities (not your deposits) in the monthly entry spaces on line 17 of Form 941.
- If you are 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 line 17 of Form 941 or the bottom of Schedule B (Form 941) equals your tax liability shown on line 10 of Form 941.
- Do not show negative amounts on line 17 of Form 941 or Schedule B (Form 941).
- For prior period errors **do not** adjust your tax liabilities reported on line 17 of Form 941 or on Schedule B (Form 941). Instead, file an adjusted return (Form 941-X, 944-X, or 945-X) if you are also adjusting your tax liability. If you are only adjusting your deposits in response to a failure-to-deposit penalty notice, see the Instructions for Schedule B (Form 941) or the Form 945-X instructions (for Forms 944 and 945).

12. Filing Form 941 or Form 944

Form 941. Each quarter, all employers who pay wages subject to income tax withholding (including withholding on sick pay and supplemental unemployment benefits) or social security and Medicare taxes must file Form 941, Employer's QUARTERLY Federal Tax Return, unless the employer is required to file Form 944 or the following exceptions apply. Form 941 must be filed by the last day of the month that follows the end of the quarter. See the [Calendar](#) on page 2.

Form 944. If you receive written notification you qualify for the Form 944 program, you must file Form 944, Employer's ANNUAL Federal Tax Return, 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 if you satisfy certain requirements. See the Instructions for Form 944 for details. Employers who must file Form 944 have until the last day of the month that follows the end of the year to file Form 944.

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 will not have to file a return for one or more quarters during the year, check the "Seasonal employer" box on line 19 of Form 941. 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 will not 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 are 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), Household Employment Taxes. See Publication 926, Household Employer's Tax Guide, 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 are not subject to U.S. income tax withholding, use Form 941-SS or Form 944-SS. Employers in Puerto Rico use Form 941-PR or Form 944-PR. If you have both employees who are subject to U.S. income tax withholding and employees who are not subject to U.S. income tax withholding, you can file only Form 941 (or Form 944) and include all your employees' wages on that form. For more information, see Publication 80 (Circular SS) Federal Tax Guide for Employers in US Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands.
- **Agricultural employers reporting social security, Medicare, and withheld income taxes.** Report these taxes on Form 943, Employer's Annual Federal Tax Return for Agricultural Employees.

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, visit the IRS website at www.irs.gov/efile, 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 Publication 15-A.

Penalties. For each whole or part month a return is not filed when required (disregarding any extensions of the filing deadline), there is a failure-to-file 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 penalty of 0.5% per month of the amount of tax. For individual filers only, the failure-to-pay 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 failure-to-pay penalty is also 25% of the tax due. If both penalties apply in any month, the failure-to-file penalty is reduced by the amount of the failure-to-pay penalty. The penalties will not 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 are not withheld or are not paid, you may be personally liable for the trust fund recovery penalty. See [Trust fund recovery penalty](#) in section 11.

Use of a reporting agent or other third-party payroll service provider does not relieve an employer of the responsibility to ensure tax returns are filed and all taxes are paid or deposited correctly and on time.

Do not 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.

- Do not report more than 1 calendar quarter on a Form 941.
- Use the preaddressed form mailed to you. If you do not have the form, get one from the IRS in time to file the return when due.
- If you use a form that is not preaddressed, show your name and EIN on it. Be sure they are 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 are required to file a final return, you are also required to furnish Forms W-2 to your employees by the due date of your final return. File Forms W-2 and W-3 with the SSA by the last day of the month that follows the due date of your final return. Do not send an original or copy of your Form 941 or Form 944 to the SSA. See the 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 [Quick and Easy Access to IRS Tax Help and Tax Products](#) on page 59 for various ways to secure any necessary forms and instructions. Contact the IRS at 1-800-829-4933 if you have any questions.

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
2009 and 2010—Social Security	\$106,800	12.4%
2009 and 2010—Medicare	All Wages	2.9%
2008—Social Security	\$102,000	12.4%
2008—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.

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 does not exceed the annual social security wage base limit (for example, \$106,800 for 2011),
6. Do not report noncash wages that are not 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,"
8. Be sure the amounts on Form W-3 are the total of amounts from Forms W-2, and
9. Reconcile Form W-3 with your four quarterly Forms 941 or annual Form 944 by comparing amounts reported for:
 - a. Income tax withholding;
 - b. Social security wages, social security tips, and Medicare wages and tips. Form W-3 should include Forms 941 or Form 944 adjustments only for the current year (that is, if the Form 941 or Form 944 adjustments include amounts for a prior year, do not report those prior year adjustments on the current-year Forms W-2 and W-3);
 - c. Social security and Medicare taxes. The amounts shown on the four quarterly Forms 941 or the annual Form 944, including current-year adjustments, should be approximately twice the amounts shown on Form W-3. This is because Form 941 and Form 944 include both the employer and employee shares of social security and Medicare taxes; and

- d. Advance earned income credit (EIC) for years ending before January 1, 2011.

Do not report on Form 941 or Form 944 backup withholding or income tax withholding on nonpayroll payments such as pensions, annuities, and gambling winnings. Nonpayroll withholding must be reported on Form 945, Annual Return of Withheld Federal Income Tax. See the Instructions for Form 945 for details. Income tax withholding required to be reported on Forms 1099 or W-2G must be reported on Form 945. Only taxes and withholding properly 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. If they do not match, you should determine the reasons they are valid. Keep your reconciliation so you will have a record of why amounts did not 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 Corrections to Form 941 or Form 944

Current Period Adjustments

In certain cases, amounts reported as social security and Medicare taxes in column 2 of lines 5a, 5b, and 5c of Form 941 (column 2 of lines 4a, 4b, and 4c for Form 944) must be adjusted to arrive at your correct tax liability (for example, excluding amounts withheld by a third-party payor or amounts you were not required to withhold). In 2011, current period adjustments are reported on lines 7–9 of Form 941 and line 6 of Form 944 and include the following types of adjustments.

Fractions-of-cents adjustment. If there is a small difference between total taxes after adjustments (line 10) (line 7 of Form 944) and total deposits (line 13) (line 10 of Form 944), 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 2011, multiply the total wages and tips for the quarter subject to:

- Social security tax (reported on lines 5a, column 1, and 5b, column 1) (or lines 4a and 4b of column 1 on Form 944) by 4.2% (.042) and
- Medicare tax (reported on line 5c, column 1) (line 4c of column 1 on Form 944) by 1.45% (.0145).

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 line 7 of Form 941 or line 6 of Form 944. 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. Do not 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 lines 5a, column 2, 5b, column 2, and 5c, 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 line 7 of Form 941.
- **Third-party sick pay.** Cedar, Inc. included taxes of \$2,000 for sick pay on lines 5a, column 2 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 line 8 of Form 941.
- **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 lines 5a, column 2 and 5c, column 2 of Form 941. Therefore, Cedar, Inc. is entitled to a negative \$200 adjustment on line 9 of Form 941.

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 lines 5a and 5c of Form 941 (lines 4a and 4c of Form 944). Show as a negative adjustment on line 8 of Form 941 or line 6 of Form 944 the social security and Medicare taxes withheld on sick pay by a third-party payor. See section 6 of Publication 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 do not 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 lines 5b (social security tips) and 5c (Medicare wages and tips) (lines 4b and 4c of Form 944). Include as a negative adjustment on line 9 of Form 941 or line 6 of Form 944 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 is not collected by the employer. However, include all social security and Medicare taxes for such coverage on lines 5a and 5c (social security and Medicare taxes) (lines 4a and 4c of Form 944), and back out the amount of the employee share of these taxes as a negative

adjustment on line 9 of Form 941 or line 6 of Form 944. See Publication 15-B for more information on group-term life insurance.

No change to record of federal tax liability. Do not make any changes to your record of federal tax liability reported on line 17 of Form 941 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 lines 5a, column 2, 5b, column 2, and 5c, column 2 of Form 941 (lines 4a, 4b, and 4c of column 2 for Form 944) 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. The Internal Revenue Service has developed Form 941-X and Form 944-X to replace Form 941c, Supporting Statement to Correct Information. There are also Forms 943-X, 945-X, and CT-1X to report corrections on the corresponding returns.

Form 941-X and Form 944-X also replace Form 843, Claim for Refund or Request for Abatement, for employers to request a refund or abatement of overreported employment taxes. Continue to 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 Rev. Rul. 2009-39, at 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 www.irs.gov/irb/2008-32_irb/ar13.html. You will 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 will 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 are correcting, and
- File Form 941-X or Form 944-X separately. **Do not** 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 are requesting a refund. If

you are 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 as a credit when filing his or her income tax return (Form 1040, etc.).

You cannot adjust amounts reported as income tax withheld in a prior calendar year unless it is to correct an administrative error or section 3509 applies. An administrative error occurs if the amount you entered on Form 941 or Form 944 is not 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.

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 are the one who owes the underpayment. Reimbursement is a matter for settlement between you and the employee. Underwithheld income 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 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 did not 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, Corrected Wage and Tax Statement, and Form W-3c, Transmittal of Corrected Wage and Tax Statements, with the SSA. Up to five 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 www.socialsecurity.gov/employer.

Exceptions to interest-free corrections of employment taxes. A correction will **not** 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 will **not** 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 of Worker Classification (Letter 3523).

Wage Repayments

If an employee repays you for wages received in error, do not 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 may not make an adjustment for income tax withholding because the wages were wages and income to the employee 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. Do not 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 is not entitled to file an amended return (Form 1040X) to recover the income tax on these wages. Instead, the employee is 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.

14. Federal Unemployment (FUTA) Tax

The Federal Unemployment Tax Act (FUTA), 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. A list of state unemployment agencies, including addresses and phone numbers, is available in the Instructions for Form 940. Only the employer pays FUTA tax; it is not withheld from the employee's wages. For more information, see the Instructions for Form 940.



Services rendered after December 20, 2000, 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 are

subject to FUTA tax on the wages you pay to employees in that category during the current calendar year.

1. General test.

You are subject to FUTA tax in 2011 on the wages you pay employees who are not farmworkers or household workers if:

- a. You paid wages of \$1,500 or more in any calendar quarter in 2010 or 2011, or
- b. You had one or more employees for at least some part of a day in any 20 or more different weeks in 2010 or 20 or more different weeks in 2011.

2. Household employees test.

You are subject to FUTA tax if you paid total cash wages of \$1,000 or more to household employees in any calendar quarter in 2010 or 2011. 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 are 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 2010 or 2011, 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 2009 or 20 or more different weeks in 2010.

Computing FUTA tax. Before July 1, 2011, the FUTA tax rate is 6.2%. After June 30, 2011, the FUTA tax rate is scheduled to decrease to 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 are entitled to the maximum 5.4% credit, the FUTA tax rate after credit is 0.8% (0.6% after June 30, 2011). You are 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 is not 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 exempt some types of wages from state unemployment tax, even though they are 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 0.8% (0.6% after June 30, 2011) FUTA tax on those wages. See the Instructions for Form 940, for further guidance.

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 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 0.8% (0.6% after June 30, 2011). 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 do not 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 electronic funds transfer. See [section 11](#) for more information on electronic funds transfer.

Household employees. You are not required to deposit FUTA taxes for household employees unless you report their wages on Form 941, Form 944, or Form 943. See Publication 926, Household Employer's Tax Guide, 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 (below) for making your deposit falls on a Saturday, Sunday, or legal holiday, you may make your deposit on the next business day.

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 2010 Form 940 by January 31. For information on paying your taxes with a credit or debit card, visit the IRS website at www.irs.gov/e-pay.

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, Employer's Annual Federal Unemployment (FUTA) Tax Return, to report FUTA tax. File your 2010 Form 940 by January 31, 2011. However, if you deposited all FUTA tax when due, you may file on or before February 10, 2011. If you do not receive Form 940, you can get a form by calling 1-800-TAX-FORM (1-800-829-3676).

Household employees. If you did not report employment taxes for household employees on Form 941, Form 944, or Form 943, report FUTA tax for these employees on Schedule H (Form 1040), Household Employment Taxes. See Publication 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 Publication 15-A.

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	Federal Unemployment
Aliens, nonresident.	See Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Publication 519, U.S. Tax Guide for Aliens.		
Aliens, resident: 1. Service performed in the U.S. 2. Service performed outside U.S.	Same as U.S. citizen. Withhold	Same as U.S. citizen. (Exempt if any part of service as crew member of foreign vessel or aircraft is performed outside U.S.) 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.	Same as U.S. citizen. 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 Publication 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. 2. Wages paid to beneficiary or estate after calendar year of worker's death.	Exempt Exempt	Taxable Exempt	Taxable 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 did not perform any service for employer during 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. b. Amounts in excess of specified government rate for per diem or standard mileage. 2. Nonaccountable plan. See section 5 for details.	Exempt Withhold Withhold	Exempt Taxable Taxable	Exempt Taxable Taxable
Family employees: 1. Child employed by parent (or partnership in which each partner is a parent of the child). 2. Parent employed by child. 3. Spouse employed by spouse. See section 3 for more information.	Withhold Withhold Withhold	Exempt until age 18; age 21 for domestic service. Taxable if in course of the son's or daughter's business. For domestic services, see section 3 . Taxable if in course of spouse's business.	Exempt until age 21 Exempt Exempt
Fishing and related activities.	See Publication 334, Tax Guide for Small Business.		
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	Federal Unemployment
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 Publication 51 (Circular A). 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 \$1,700 or more in cash in 2011. Exempt if performed by an individual under age 18 during any portion of the calendar year and is not 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 Publication 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 Publication 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 Publication 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	Federal Unemployment
Noncash payments: 1. For household work, agricultural labor, and service not in the course of the employer's trade or business. 2. To certain retail commission salespersons ordinarily paid solely on a cash commission basis.	Exempt (withhold if both employer and employee voluntarily agree). Optional with employer, except to the extent employee's supplemental wages during the year exceed \$1,000,000.	Exempt Taxable	Exempt Taxable
Nonprofit organizations.	See Publication 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 Publication 541, Partnerships, for partner reporting rules.	Exempt	Exempt	Exempt
Railroads: Payments subject to the Railroad Retirement Act. See Publication 915, Social Security and Equivalent Railroad Retirement Benefits, for more details.	Withhold	Exempt	Exempt
Religious exemptions.	See Publication 15-A and Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers.		
Retirement and pension plans: 1. Employer contributions to a qualified plan. 2. Elective employee contributions and deferrals to a plan containing a qualified cash or deferred compensation arrangement (for example, 401(k)). 3. Employer contributions to individual retirement accounts under simplified employee pension plan (SEP). 4. Employer contributions to section 403(b) annuities. 5. Employee salary reduction contributions to a SIMPLE retirement account. 6. Distributions from qualified retirement and pension plans and section 403(b) annuities. See Publication 15-A for information on pensions, annuities, and employer contributions to nonqualified deferred compensation arrangements.	Exempt Generally exempt, but see section 402(g) for limitation. Generally exempt, but see section 402(g) for salary reduction SEP limitation. Generally exempt, but see section 402(g) for limitation. Exempt Withhold, but recipient may elect exemption on Form W-4P in certain cases; mandatory 20% withholding applies to an eligible rollover distribution that is not a direct rollover; exempt for direct rollover. See Publication 15-A.	Exempt Taxable Exempt, except for amounts contributed under a salary reduction SEP agreement. Taxable if paid through a salary reduction agreement (written or otherwise). Taxable Exempt	Exempt Taxable Taxable Taxable Exempt
Salespersons: 1. Common law employees. 2. Statutory employees. 3. Statutory nonemployees (qualified real estate agents, direct sellers, and certain companion sitters). See Publication 15-A for details.	Withhold Exempt Exempt	Taxable Taxable Exempt	Taxable Taxable, except for full-time life insurance sales agents. Exempt
Scholarships and fellowship grants (include in income under section 117(c)):	Withhold	Taxability depends on the nature of the employment and the status of the organization. See <i>Students, scholars, trainees, teachers, etc.</i> on next page.	
Severance or dismissal pay.	Withhold	Taxable	Taxable

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Service not in the course of the employer's trade or business (other than on a farm operated for profit or for household employment in private homes).	Withhold only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter.	Taxable if employee receives \$100 or more in cash in a calendar year.	Taxable only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter.
Sick pay. See Publication 15-A for more information.	Withhold	Exempt after end of 6 calendar months after the calendar month employee last worked for employer.	
Students, scholars, trainees, teachers, etc.: 1. Student enrolled and regularly attending classes, performing services for: a. Private school, college, or university. b. Auxiliary nonprofit organization operated for and controlled by school, college, or university. c. Public school, college, or university. 2. Full-time student performing service for academic credit, combining instruction with work experience as an integral part of the program. 3. Student nurse performing part-time services for nominal earnings at hospital as incidental part of training. 4. Student employed by organized camps. 5. Student, scholar, trainee, teacher, etc., as nonimmigrant alien under section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act (that is, aliens holding F-1, J-1, M-1, or Q-1 visas).	Withhold Withhold Withhold Withhold Withhold unless excepted by regulations.	Exempt Exempt unless services are covered by a section 218 (Social Security Act) agreement. Exempt unless services are covered by a section 218 (Social Security Act) agreement. Taxable Exempt Taxable Exempt if service is performed for purpose specified in section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act. However, these taxes may apply if the employee becomes a resident alien. See the special residency tests for exempt individuals in chapter 1 of Publication 519.	Exempt Exempt Exempt Exempt unless program was established for or on behalf of an employer or group of employers. Exempt Exempt
Supplemental unemployment compensation plan benefits.	Withhold	Exempt under certain conditions. See Publication 15-A.	
Tips: 1. If \$20 or more in a month. 2. If less than \$20 in a month. See section 6 for more information.	Withhold Exempt	Taxable Exempt	Taxable for all tips reported in writing to employer. Exempt
Worker's compensation.	Exempt	Exempt	Exempt

16. How To Use the Income Tax Withholding Tables

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. See [section 9](#) for more information on Form W-4.



Adjustments are not 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 38–57) 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 wages, find the amount of federal tax to withhold. If your employee is claiming more than 10 withholding allowances, see below.

If you cannot use the wage bracket tables because wages exceed the amount shown in the last bracket of the table, use the percentage method of withholding described below. Be sure to reduce wages by the amount of total withholding allowances in Table 5 on this page before using the percentage method tables (pages 36–37).

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, Percentage Method—2011 Amount for One Withholding Allowance*, on this page.
2. Subtract the result from the employee's 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 below.

Percentage Method

If you do not want to use the wage bracket tables on pages 38–57 to figure how much income tax to withhold, you can use a percentage computation based on Table 5 on this page 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 below) by the number of allowances the employee claims.
2. Subtract that amount from the employee's wages.

3. Determine the amount to withhold from the appropriate table on page 36 or 37.

Table 5. Percentage Method—2011 Amount for One Withholding Allowance

Payroll Period	One Withholding Allowance
Weekly	\$ 71.15
Biweekly	142.31
Semimonthly	154.17
Monthly	308.33
Quarterly	925.00
Semiannually	1,850.00
Annually	3,700.00
Daily or miscellaneous (each day of the payroll period)	14.23

Example. An unmarried employee is paid \$600 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	\$600.00
2.	One allowance	\$71.15
3.	Allowances claimed on Form W-4	<u>2</u>
4.	Multiply line 2 by line 3	<u>\$142.30</u>
5.	Amount subject to withholding (subtract line 4 from line 1)	\$457.70
6.	Tax to be withheld on \$457.70 from Table 1—single person, page 36	\$ 54.46

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.

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 \$14,800 (the value of four withholding allowances for 2011) for a balance of \$37,200. Using the table for the annual payroll period on page 37, \$3,545 is withheld. Divide the annual tax by 52. The weekly income tax to withhold is \$68.17.

Alternative Methods of Income Tax Withholding

Rather than the *Wage Bracket Method* or *Percentage Method* described above, you can use an alternative method to withhold income tax. Publication 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 Publication 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 2011)

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 \$40		\$0		Not over \$152		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$40	—\$204	\$0.00 plus 10%	—\$40	\$152	—\$479	\$0.00 plus 10%	—\$152
\$204	—\$704	\$16.40 plus 15%	—\$204	\$479	—\$1,479	\$32.70 plus 15%	—\$479
\$704	—\$1,648	\$91.40 plus 25%	—\$704	\$1,479	—\$2,832	\$182.70 plus 25%	—\$1,479
\$1,648	—\$3,394	\$327.40 plus 28%	—\$1,648	\$2,832	—\$4,235	\$520.95 plus 28%	—\$2,832
\$3,394	—\$7,332	\$816.28 plus 33%	—\$3,394	\$4,235	—\$7,443	\$913.79 plus 33%	—\$4,235
\$7,332		\$2,115.82 plus 35%	—\$7,332	\$7,443		\$1,972.43 plus 35%	—\$7,443

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 \$81		\$0		Not over \$304		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$81	—\$408	\$0.00 plus 10%	—\$81	\$304	—\$958	\$0.00 plus 10%	—\$304
\$408	—\$1,408	\$32.70 plus 15%	—\$408	\$958	—\$2,958	\$65.40 plus 15%	—\$958
\$1,408	—\$3,296	\$182.70 plus 25%	—\$1,408	\$2,958	—\$5,663	\$365.40 plus 25%	—\$2,958
\$3,296	—\$6,788	\$654.70 plus 28%	—\$3,296	\$5,663	—\$8,469	\$1,041.65 plus 28%	—\$5,663
\$6,788	—\$14,663	\$1,632.46 plus 33%	—\$6,788	\$8,469	—\$14,887	\$1,827.33 plus 33%	—\$8,469
\$14,663		\$4,231.21 plus 35%	—\$14,663	\$14,887		\$3,945.27 plus 35%	—\$14,887

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 \$88		\$0		Not over \$329		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$88	—\$442	\$0.00 plus 10%	—\$88	\$329	—\$1,038	\$0.00 plus 10%	—\$329
\$442	—\$1,525	\$35.40 plus 15%	—\$442	\$1,038	—\$3,204	\$70.90 plus 15%	—\$1,038
\$1,525	—\$3,571	\$197.85 plus 25%	—\$1,525	\$3,204	—\$6,135	\$395.80 plus 25%	—\$3,204
\$3,571	—\$7,354	\$709.35 plus 28%	—\$3,571	\$6,135	—\$9,175	\$1,128.55 plus 28%	—\$6,135
\$7,354	—\$15,885	\$1,768.59 plus 33%	—\$7,354	\$9,175	—\$16,127	\$1,979.75 plus 33%	—\$9,175
\$15,885		\$4,583.82 plus 35%	—\$15,885	\$16,127		\$4,273.91 plus 35%	—\$16,127

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 \$175		\$0		Not over \$658		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$175	—\$883	\$0.00 plus 10%	—\$175	\$658	—\$2,075	\$0.00 plus 10%	—\$658
\$883	—\$3,050	\$70.80 plus 15%	—\$883	\$2,075	—\$6,408	\$141.70 plus 15%	—\$2,075
\$3,050	—\$7,142	\$395.85 plus 25%	—\$3,050	\$6,408	—\$12,271	\$791.65 plus 25%	—\$6,408
\$7,142	—\$14,708	\$1,418.85 plus 28%	—\$7,142	\$12,271	—\$18,350	\$2,257.40 plus 28%	—\$12,271
\$14,708	—\$31,771	\$3,537.33 plus 33%	—\$14,708	\$18,350	—\$32,254	\$3,959.52 plus 33%	—\$18,350
\$31,771		\$9,168.12 plus 35%	—\$31,771	\$32,254		\$8,547.84 plus 35%	—\$32,254

Percentage Method Tables for Income Tax Withholding (continued)

(For Wages Paid in 2011)

TABLE 5—QUARTERLY 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 \$525		\$0		Not over \$1,975		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$525	—\$2,650	\$0.00 plus 10%	—\$525	\$1,975	—\$6,225	\$0.00 plus 10%	—\$1,975
\$2,650	—\$9,150	\$212.50 plus 15%	—\$2,650	\$6,225	—\$19,225	\$425.00 plus 15%	—\$6,225
\$9,150	—\$21,425	\$1,187.50 plus 25%	—\$9,150	\$19,225	—\$36,813	\$2,375.00 plus 25%	—\$19,225
\$21,425	—\$44,125	\$4,256.25 plus 28%	—\$21,425	\$36,813	—\$55,050	\$6,772.00 plus 28%	—\$36,813
\$44,125	—\$95,313	\$10,612.25 plus 33%	—\$44,125	\$55,050	—\$96,763	\$11,878.36 plus 33%	—\$55,050
\$95,313		\$27,504.29 plus 35%	—\$95,313	\$96,763		\$25,643.65 plus 35%	—\$96,763

TABLE 6—SEMIANNUAL 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 \$1,050		\$0		Not over \$3,950		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$1,050	—\$5,300	\$0.00 plus 10%	—\$1,050	\$3,950	—\$12,450	\$0.00 plus 10%	—\$3,950
\$5,300	—\$18,300	\$425.00 plus 15%	—\$5,300	\$12,450	—\$38,450	\$850.00 plus 15%	—\$12,450
\$18,300	—\$42,850	\$2,375.00 plus 25%	—\$18,300	\$38,450	—\$73,625	\$4,750.00 plus 25%	—\$38,450
\$42,850	—\$88,250	\$8,512.50 plus 28%	—\$42,850	\$73,625	—\$110,100	\$13,543.75 plus 28%	—\$73,625
\$88,250	—\$190,625	\$21,224.50 plus 33%	—\$88,250	\$110,100	—\$193,525	\$23,756.75 plus 33%	—\$110,100
\$190,625		\$55,008.25 plus 35%	—\$190,625	\$193,525		\$51,287.00 plus 35%	—\$193,525

TABLE 7—ANNUAL 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 \$2,100		\$0		Not over \$7,900		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$2,100	—\$10,600	\$0.00 plus 10%	—\$2,100	\$7,900	—\$24,900	\$0.00 plus 10%	—\$7,900
\$10,600	—\$36,600	\$850.00 plus 15%	—\$10,600	\$24,900	—\$76,900	\$1,700.00 plus 15%	—\$24,900
\$36,600	—\$85,700	\$4,750.00 plus 25%	—\$36,600	\$76,900	—\$147,250	\$9,500.00 plus 25%	—\$76,900
\$85,700	—\$176,500	\$17,025.00 plus 28%	—\$85,700	\$147,250	—\$220,200	\$27,087.50 plus 28%	—\$147,250
\$176,500	—\$381,250	\$42,449.00 plus 33%	—\$176,500	\$220,200	—\$387,050	\$47,513.50 plus 33%	—\$220,200
\$381,250		\$110,016.50 plus 35%	—\$381,250	\$387,050		\$102,574.00 plus 35%	—\$387,050

TABLE 8—DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE person (including head of household)—				(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:		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:	
Not over \$8.10		\$0		Not over \$30.40		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$8.10	—\$40.80	\$0.00 plus 10%	—\$8.10	\$30.40	—\$95.80	\$0.00 plus 10%	—\$30.40
\$40.80	—\$140.80	\$3.27 plus 15%	—\$40.80	\$95.80	—\$295.80	\$6.54 plus 15%	—\$95.80
\$140.80	—\$329.60	\$18.27 plus 25%	—\$140.80	\$295.80	—\$566.30	\$36.54 plus 25%	—\$295.80
\$329.60	—\$678.80	\$65.47 plus 28%	—\$329.60	\$566.30	—\$846.90	\$104.17 plus 28%	—\$566.30
\$678.80	—\$1,466.30	\$163.25 plus 33%	—\$678.80	\$846.90	—\$1,488.70	\$182.74 plus 33%	—\$846.90
\$1,466.30		\$423.13 plus 35%	—\$1,466.30	\$1,488.70		\$394.53 plus 35%	—\$1,488.70

SINGLE Persons—WEEKLY Payroll Period

(For Wages Paid through December 2011)

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	\$55	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	60	2	0	0	0	0	0	0	0	0	0	0
60	65	2	0	0	0	0	0	0	0	0	0	0
65	70	3	0	0	0	0	0	0	0	0	0	0
70	75	3	0	0	0	0	0	0	0	0	0	0
75	80	4	0	0	0	0	0	0	0	0	0	0
80	85	4	0	0	0	0	0	0	0	0	0	0
85	90	5	0	0	0	0	0	0	0	0	0	0
90	95	5	0	0	0	0	0	0	0	0	0	0
95	100	6	0	0	0	0	0	0	0	0	0	0
100	105	6	0	0	0	0	0	0	0	0	0	0
105	110	7	0	0	0	0	0	0	0	0	0	0
110	115	7	0	0	0	0	0	0	0	0	0	0
115	120	8	1	0	0	0	0	0	0	0	0	0
120	125	8	1	0	0	0	0	0	0	0	0	0
125	130	9	2	0	0	0	0	0	0	0	0	0
130	135	9	2	0	0	0	0	0	0	0	0	0
135	140	10	3	0	0	0	0	0	0	0	0	0
140	145	10	3	0	0	0	0	0	0	0	0	0
145	150	11	4	0	0	0	0	0	0	0	0	0
150	155	11	4	0	0	0	0	0	0	0	0	0
155	160	12	5	0	0	0	0	0	0	0	0	0
160	165	12	5	0	0	0	0	0	0	0	0	0
165	170	13	6	0	0	0	0	0	0	0	0	0
170	175	13	6	0	0	0	0	0	0	0	0	0
175	180	14	7	0	0	0	0	0	0	0	0	0
180	185	14	7	0	0	0	0	0	0	0	0	0
185	190	15	8	0	0	0	0	0	0	0	0	0
190	195	15	8	1	0	0	0	0	0	0	0	0
195	200	16	9	1	0	0	0	0	0	0	0	0
200	210	17	9	2	0	0	0	0	0	0	0	0
210	220	18	10	3	0	0	0	0	0	0	0	0
220	230	20	11	4	0	0	0	0	0	0	0	0
230	240	21	12	5	0	0	0	0	0	0	0	0
240	250	23	13	6	0	0	0	0	0	0	0	0
250	260	24	14	7	0	0	0	0	0	0	0	0
260	270	26	15	8	1	0	0	0	0	0	0	0
270	280	27	16	9	2	0	0	0	0	0	0	0
280	290	29	18	10	3	0	0	0	0	0	0	0
290	300	30	19	11	4	0	0	0	0	0	0	0
300	310	32	21	12	5	0	0	0	0	0	0	0
310	320	33	22	13	6	0	0	0	0	0	0	0
320	330	35	24	14	7	0	0	0	0	0	0	0
330	340	36	25	15	8	1	0	0	0	0	0	0
340	350	38	27	16	9	2	0	0	0	0	0	0
350	360	39	28	18	10	3	0	0	0	0	0	0
360	370	41	30	19	11	4	0	0	0	0	0	0
370	380	42	31	21	12	5	0	0	0	0	0	0
380	390	44	33	22	13	6	0	0	0	0	0	0
390	400	45	34	24	14	7	0	0	0	0	0	0
400	410	47	36	25	15	8	1	0	0	0	0	0
410	420	48	37	27	16	9	2	0	0	0	0	0
420	430	50	39	28	18	10	3	0	0	0	0	0
430	440	51	40	30	19	11	4	0	0	0	0	0
440	450	53	42	31	21	12	5	0	0	0	0	0
450	460	54	43	33	22	13	6	0	0	0	0	0
460	470	56	45	34	24	14	7	0	0	0	0	0
470	480	57	46	36	25	15	8	1	0	0	0	0
480	490	59	48	37	27	16	9	2	0	0	0	0
490	500	60	49	39	28	17	10	3	0	0	0	0
500	510	62	51	40	30	19	11	4	0	0	0	0
510	520	63	52	42	31	20	12	5	0	0	0	0
520	530	65	54	43	33	22	13	6	0	0	0	0
530	540	66	55	45	34	23	14	7	0	0	0	0
540	550	68	57	46	36	25	15	8	1	0	0	0
550	560	69	58	48	37	26	16	9	2	0	0	0
560	570	71	60	49	39	28	17	10	3	0	0	0
570	580	72	61	51	40	29	19	11	4	0	0	0
580	590	74	63	52	42	31	20	12	5	0	0	0
590	600	75	64	54	43	32	22	13	6	0	0	0

SINGLE Persons—WEEKLY Payroll Period

(For Wages Paid through December 2011)

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—										
\$600	\$610	\$77	\$66	\$55	\$45	\$34	\$23	\$14	\$7	\$0	\$0	\$0
610	620	78	67	57	46	35	25	15	8	1	0	0
620	630	80	69	58	48	37	26	16	9	2	0	0
630	640	81	70	60	49	38	28	17	10	3	0	0
640	650	83	72	61	51	40	29	18	11	4	0	0
650	660	84	73	63	52	41	31	20	12	5	0	0
660	670	86	75	64	54	43	32	21	13	6	0	0
670	680	87	76	66	55	44	34	23	14	7	0	0
680	690	89	78	67	57	46	35	24	15	8	0	0
690	700	90	79	69	58	47	37	26	16	9	1	0
700	710	92	81	70	60	49	38	27	17	10	2	0
710	720	94	82	72	61	50	40	29	18	11	3	0
720	730	97	84	73	63	52	41	30	20	12	4	0
730	740	99	85	75	64	53	43	32	21	13	5	0
740	750	102	87	76	66	55	44	33	23	14	6	0
750	760	104	88	78	67	56	46	35	24	15	7	0
760	770	107	90	79	69	58	47	36	26	16	8	1
770	780	109	91	81	70	59	49	38	27	17	9	2
780	790	112	94	82	72	61	50	39	29	18	10	3
790	800	114	96	84	73	62	52	41	30	20	11	4
800	810	117	99	85	75	64	53	42	32	21	12	5
810	820	119	101	87	76	65	55	44	33	23	13	6
820	830	122	104	88	78	67	56	45	35	24	14	7
830	840	124	106	90	79	68	58	47	36	26	15	8
840	850	127	109	91	81	70	59	48	38	27	16	9
850	860	129	111	94	82	71	61	50	39	29	18	10
860	870	132	114	96	84	73	62	51	41	30	19	11
870	880	134	116	99	85	74	64	53	42	32	21	12
880	890	137	119	101	87	76	65	54	44	33	22	13
890	900	139	121	104	88	77	67	56	45	35	24	14
900	910	142	124	106	90	79	68	57	47	36	25	15
910	920	144	126	109	91	80	70	59	48	38	27	16
920	930	147	129	111	93	82	71	60	50	39	28	18
930	940	149	131	114	96	83	73	62	51	41	30	19
940	950	152	134	116	98	85	74	63	53	42	31	21
950	960	154	136	119	101	86	76	65	54	44	33	22
960	970	157	139	121	103	88	77	66	56	45	34	24
970	980	159	141	124	106	89	79	68	57	47	36	25
980	990	162	144	126	108	91	80	69	59	48	37	27
990	1,000	164	146	129	111	93	82	71	60	50	39	28
1,000	1,010	167	149	131	113	95	83	72	62	51	40	30
1,010	1,020	169	151	134	116	98	85	74	63	53	42	31
1,020	1,030	172	154	136	118	100	86	75	65	54	43	33
1,030	1,040	174	156	139	121	103	88	77	66	56	45	34
1,040	1,050	177	159	141	123	105	89	78	68	57	46	36
1,050	1,060	179	161	144	126	108	91	80	69	59	48	37
1,060	1,070	182	164	146	128	110	93	81	71	60	49	39
1,070	1,080	184	166	149	131	113	95	83	72	62	51	40
1,080	1,090	187	169	151	133	115	98	84	74	63	52	42
1,090	1,100	189	171	154	136	118	100	86	75	65	54	43
1,100	1,110	192	174	156	138	120	103	87	77	66	55	45
1,110	1,120	194	176	159	141	123	105	89	78	68	57	46
1,120	1,130	197	179	161	143	125	108	90	80	69	58	48
1,130	1,140	199	181	164	146	128	110	92	81	71	60	49
1,140	1,150	202	184	166	148	130	113	95	83	72	61	51
1,150	1,160	204	186	169	151	133	115	97	84	74	63	52
1,160	1,170	207	189	171	153	135	118	100	86	75	64	54
1,170	1,180	209	191	174	156	138	120	102	87	77	66	55
1,180	1,190	212	194	176	158	140	123	105	89	78	67	57
1,190	1,200	214	196	179	161	143	125	107	90	80	69	58
1,200	1,210	217	199	181	163	145	128	110	92	81	70	60
1,210	1,220	219	201	184	166	148	130	112	95	83	72	61
1,220	1,230	222	204	186	168	150	133	115	97	84	73	63
1,230	1,240	224	206	189	171	153	135	117	100	86	75	64
1,240	1,250	227	209	191	173	155	138	120	102	87	76	66

\$1,250 and over

Use Table 1(a) for a **SINGLE person** on page 36. Also see the instructions on page 35.

MARRIED Persons—WEEKLY Payroll Period

(For Wages Paid through December 2011)

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	\$155	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
155	160	1	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	2	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	3	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	4	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	5	0	0	0	0	0	0	0	0	0	0
200	210	5	0	0	0	0	0	0	0	0	0	0
210	220	6	0	0	0	0	0	0	0	0	0	0
220	230	7	0	0	0	0	0	0	0	0	0	0
230	240	8	1	0	0	0	0	0	0	0	0	0
240	250	9	2	0	0	0	0	0	0	0	0	0
250	260	10	3	0	0	0	0	0	0	0	0	0
260	270	11	4	0	0	0	0	0	0	0	0	0
270	280	12	5	0	0	0	0	0	0	0	0	0
280	290	13	6	0	0	0	0	0	0	0	0	0
290	300	14	7	0	0	0	0	0	0	0	0	0
300	310	15	8	1	0	0	0	0	0	0	0	0
310	320	16	9	2	0	0	0	0	0	0	0	0
320	330	17	10	3	0	0	0	0	0	0	0	0
330	340	18	11	4	0	0	0	0	0	0	0	0
340	350	19	12	5	0	0	0	0	0	0	0	0
350	360	20	13	6	0	0	0	0	0	0	0	0
360	370	21	14	7	0	0	0	0	0	0	0	0
370	380	22	15	8	1	0	0	0	0	0	0	0
380	390	23	16	9	2	0	0	0	0	0	0	0
390	400	24	17	10	3	0	0	0	0	0	0	0
400	410	25	18	11	4	0	0	0	0	0	0	0
410	420	26	19	12	5	0	0	0	0	0	0	0
420	430	27	20	13	6	0	0	0	0	0	0	0
430	440	28	21	14	7	0	0	0	0	0	0	0
440	450	29	22	15	8	1	0	0	0	0	0	0
450	460	30	23	16	9	2	0	0	0	0	0	0
460	470	31	24	17	10	3	0	0	0	0	0	0
470	480	32	25	18	11	4	0	0	0	0	0	0
480	490	34	26	19	12	5	0	0	0	0	0	0
490	500	35	27	20	13	6	0	0	0	0	0	0
500	510	37	28	21	14	7	0	0	0	0	0	0
510	520	38	29	22	15	8	1	0	0	0	0	0
520	530	40	30	23	16	9	2	0	0	0	0	0
530	540	41	31	24	17	10	3	0	0	0	0	0
540	550	43	32	25	18	11	4	0	0	0	0	0
550	560	44	33	26	19	12	5	0	0	0	0	0
560	570	46	35	27	20	13	6	0	0	0	0	0
570	580	47	36	28	21	14	7	0	0	0	0	0
580	590	49	38	29	22	15	8	1	0	0	0	0
590	600	50	39	30	23	16	9	2	0	0	0	0
600	610	52	41	31	24	17	10	3	0	0	0	0
610	620	53	42	32	25	18	11	4	0	0	0	0
620	630	55	44	33	26	19	12	5	0	0	0	0
630	640	56	45	35	27	20	13	6	0	0	0	0
640	650	58	47	36	28	21	14	7	0	0	0	0
650	660	59	48	38	29	22	15	8	1	0	0	0
660	670	61	50	39	30	23	16	9	2	0	0	0
670	680	62	51	41	31	24	17	10	3	0	0	0
680	690	64	53	42	32	25	18	11	4	0	0	0
690	700	65	54	44	33	26	19	12	5	0	0	0
700	710	67	56	45	35	27	20	13	6	0	0	0
710	720	68	57	47	36	28	21	14	7	0	0	0
720	730	70	59	48	38	29	22	15	8	0	0	0
730	740	71	60	50	39	30	23	16	9	1	0	0
740	750	73	62	51	41	31	24	17	10	2	0	0
750	760	74	63	53	42	32	25	18	11	3	0	0
760	770	76	65	54	44	33	26	19	12	4	0	0
770	780	77	66	56	45	34	27	20	13	5	0	0
780	790	79	68	57	47	36	28	21	14	6	0	0
790	800	80	69	59	48	37	29	22	15	7	0	0

MARRIED Persons—WEEKLY Payroll Period

(For Wages Paid through December 2011)

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—												
\$800	\$810	\$82	\$71	\$60	\$50	\$39	\$30	\$23	\$16	\$8	\$1	\$0
810	820	83	72	62	51	40	31	24	17	9	2	0
820	830	85	74	63	53	42	32	25	18	10	3	0
830	840	86	75	65	54	43	33	26	19	11	4	0
840	850	88	77	66	56	45	34	27	20	12	5	0
850	860	89	78	68	57	46	36	28	21	13	6	0
860	870	91	80	69	59	48	37	29	22	14	7	0
870	880	92	81	71	60	49	39	30	23	15	8	1
880	890	94	83	72	62	51	40	31	24	16	9	2
890	900	95	84	74	63	52	42	32	25	17	10	3
900	910	97	86	75	65	54	43	33	26	18	11	4
910	920	98	87	77	66	55	45	34	27	19	12	5
920	930	100	89	78	68	57	46	36	28	20	13	6
930	940	101	90	80	69	58	48	37	29	21	14	7
940	950	103	92	81	71	60	49	39	30	22	15	8
950	960	104	93	83	72	61	51	40	31	23	16	9
960	970	106	95	84	74	63	52	42	32	24	17	10
970	980	107	96	86	75	64	54	43	33	25	18	11
980	990	109	98	87	77	66	55	45	34	26	19	12
990	1,000	110	99	89	78	67	57	46	35	27	20	13
1,000	1,010	112	101	90	80	69	58	48	37	28	21	14
1,010	1,020	113	102	92	81	70	60	49	38	29	22	15
1,020	1,030	115	104	93	83	72	61	51	40	30	23	16
1,030	1,040	116	105	95	84	73	63	52	41	31	24	17
1,040	1,050	118	107	96	86	75	64	54	43	32	25	18
1,050	1,060	119	108	98	87	76	66	55	44	34	26	19
1,060	1,070	121	110	99	89	78	67	57	46	35	27	20
1,070	1,080	122	111	101	90	79	69	58	47	37	28	21
1,080	1,090	124	113	102	92	81	70	60	49	38	29	22
1,090	1,100	125	114	104	93	82	72	61	50	40	30	23
1,100	1,110	127	116	105	95	84	73	63	52	41	31	24
1,110	1,120	128	117	107	96	85	75	64	53	43	32	25
1,120	1,130	130	119	108	98	87	76	66	55	44	34	26
1,130	1,140	131	120	110	99	88	78	67	56	46	35	27
1,140	1,150	133	122	111	101	90	79	69	58	47	37	28
1,150	1,160	134	123	113	102	91	81	70	59	49	38	29
1,160	1,170	136	125	114	104	93	82	72	61	50	40	30
1,170	1,180	137	126	116	105	94	84	73	62	52	41	31
1,180	1,190	139	128	117	107	96	85	75	64	53	43	32
1,190	1,200	140	129	119	108	97	87	76	65	55	44	33
1,200	1,210	142	131	120	110	99	88	78	67	56	46	35
1,210	1,220	143	132	122	111	100	90	79	68	58	47	36
1,220	1,230	145	134	123	113	102	91	81	70	59	49	38
1,230	1,240	146	135	125	114	103	93	82	71	61	50	39
1,240	1,250	148	137	126	116	105	94	84	73	62	52	41
1,250	1,260	149	138	128	117	106	96	85	74	64	53	42
1,260	1,270	151	140	129	119	108	97	87	76	65	55	44
1,270	1,280	152	141	131	120	109	99	88	77	67	56	45
1,280	1,290	154	143	132	122	111	100	90	79	68	58	47
1,290	1,300	155	144	134	123	112	102	91	80	70	59	48
1,300	1,310	157	146	135	125	114	103	93	82	71	61	50
1,310	1,320	158	147	137	126	115	105	94	83	73	62	51
1,320	1,330	160	149	138	128	117	106	96	85	74	64	53
1,330	1,340	161	150	140	129	118	108	97	86	76	65	54
1,340	1,350	163	152	141	131	120	109	99	88	77	67	56
1,350	1,360	164	153	143	132	121	111	100	89	79	68	57
1,360	1,370	166	155	144	134	123	112	102	91	80	70	59
1,370	1,380	167	156	146	135	124	114	103	92	82	71	60
1,380	1,390	169	158	147	137	126	115	105	94	83	73	62
1,390	1,400	170	159	149	138	127	117	106	95	85	74	63

\$1,400 and over

Use Table 1(b) for a **MARRIED person** on page 36. Also see the instructions on page 35.

SINGLE Persons—BIWEEKLY Payroll Period

(For Wages Paid through December 2011)

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	\$105	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
105	110	3	0	0	0	0	0	0	0	0	0	0
110	115	3	0	0	0	0	0	0	0	0	0	0
115	120	4	0	0	0	0	0	0	0	0	0	0
120	125	4	0	0	0	0	0	0	0	0	0	0
125	130	5	0	0	0	0	0	0	0	0	0	0
130	135	5	0	0	0	0	0	0	0	0	0	0
135	140	6	0	0	0	0	0	0	0	0	0	0
140	145	6	0	0	0	0	0	0	0	0	0	0
145	150	7	0	0	0	0	0	0	0	0	0	0
150	155	7	0	0	0	0	0	0	0	0	0	0
155	160	8	0	0	0	0	0	0	0	0	0	0
160	165	8	0	0	0	0	0	0	0	0	0	0
165	170	9	0	0	0	0	0	0	0	0	0	0
170	175	9	0	0	0	0	0	0	0	0	0	0
175	180	10	0	0	0	0	0	0	0	0	0	0
180	185	10	0	0	0	0	0	0	0	0	0	0
185	190	11	0	0	0	0	0	0	0	0	0	0
190	195	11	0	0	0	0	0	0	0	0	0	0
195	200	12	0	0	0	0	0	0	0	0	0	0
200	205	12	0	0	0	0	0	0	0	0	0	0
205	210	13	0	0	0	0	0	0	0	0	0	0
210	215	13	0	0	0	0	0	0	0	0	0	0
215	220	14	0	0	0	0	0	0	0	0	0	0
220	225	14	0	0	0	0	0	0	0	0	0	0
225	230	15	0	0	0	0	0	0	0	0	0	0
230	235	15	1	0	0	0	0	0	0	0	0	0
235	240	16	1	0	0	0	0	0	0	0	0	0
240	245	16	2	0	0	0	0	0	0	0	0	0
245	250	17	2	0	0	0	0	0	0	0	0	0
250	260	17	3	0	0	0	0	0	0	0	0	0
260	270	18	4	0	0	0	0	0	0	0	0	0
270	280	19	5	0	0	0	0	0	0	0	0	0
280	290	20	6	0	0	0	0	0	0	0	0	0
290	300	21	7	0	0	0	0	0	0	0	0	0
300	310	22	8	0	0	0	0	0	0	0	0	0
310	320	23	9	0	0	0	0	0	0	0	0	0
320	330	24	10	0	0	0	0	0	0	0	0	0
330	340	25	11	0	0	0	0	0	0	0	0	0
340	350	26	12	0	0	0	0	0	0	0	0	0
350	360	27	13	0	0	0	0	0	0	0	0	0
360	370	28	14	0	0	0	0	0	0	0	0	0
370	380	29	15	1	0	0	0	0	0	0	0	0
380	390	30	16	2	0	0	0	0	0	0	0	0
390	400	31	17	3	0	0	0	0	0	0	0	0
400	410	32	18	4	0	0	0	0	0	0	0	0
410	420	34	19	5	0	0	0	0	0	0	0	0
420	430	35	20	6	0	0	0	0	0	0	0	0
430	440	37	21	7	0	0	0	0	0	0	0	0
440	450	38	22	8	0	0	0	0	0	0	0	0
450	460	40	23	9	0	0	0	0	0	0	0	0
460	470	41	24	10	0	0	0	0	0	0	0	0
470	480	43	25	11	0	0	0	0	0	0	0	0
480	490	44	26	12	0	0	0	0	0	0	0	0
490	500	46	27	13	0	0	0	0	0	0	0	0
500	520	48	29	14	0	0	0	0	0	0	0	0
520	540	51	31	16	2	0	0	0	0	0	0	0
540	560	54	33	18	4	0	0	0	0	0	0	0
560	580	57	36	20	6	0	0	0	0	0	0	0
580	600	60	39	22	8	0	0	0	0	0	0	0
600	620	63	42	24	10	0	0	0	0	0	0	0
620	640	66	45	26	12	0	0	0	0	0	0	0
640	660	69	48	28	14	0	0	0	0	0	0	0
660	680	72	51	30	16	2	0	0	0	0	0	0
680	700	75	54	32	18	4	0	0	0	0	0	0
700	720	78	57	35	20	6	0	0	0	0	0	0
720	740	81	60	38	22	8	0	0	0	0	0	0
740	760	84	63	41	24	10	0	0	0	0	0	0
760	780	87	66	44	26	12	0	0	0	0	0	0
780	800	90	69	47	28	14	0	0	0	0	0	0

SINGLE Persons—BIWEEKLY Payroll Period

(For Wages Paid through December 2011)

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—										
\$800	\$820	\$93	\$72	\$50	\$30	\$16	\$2	\$0	\$0	\$0	\$0	\$0
820	840	96	75	53	32	18	4	0	0	0	0	0
840	860	99	78	56	35	20	6	0	0	0	0	0
860	880	102	81	59	38	22	8	0	0	0	0	0
880	900	105	84	62	41	24	10	0	0	0	0	0
900	920	108	87	65	44	26	12	0	0	0	0	0
920	940	111	90	68	47	28	14	0	0	0	0	0
940	960	114	93	71	50	30	16	2	0	0	0	0
960	980	117	96	74	53	32	18	4	0	0	0	0
980	1,000	120	99	77	56	35	20	6	0	0	0	0
1,000	1,020	123	102	80	59	38	22	8	0	0	0	0
1,020	1,040	126	105	83	62	41	24	10	0	0	0	0
1,040	1,060	129	108	86	65	44	26	12	0	0	0	0
1,060	1,080	132	111	89	68	47	28	14	0	0	0	0
1,080	1,100	135	114	92	71	50	30	16	1	0	0	0
1,100	1,120	138	117	95	74	53	32	18	3	0	0	0
1,120	1,140	141	120	98	77	56	34	20	5	0	0	0
1,140	1,160	144	123	101	80	59	37	22	7	0	0	0
1,160	1,180	147	126	104	83	62	40	24	9	0	0	0
1,180	1,200	150	129	107	86	65	43	26	11	0	0	0
1,200	1,220	153	132	110	89	68	46	28	13	0	0	0
1,220	1,240	156	135	113	92	71	49	30	15	1	0	0
1,240	1,260	159	138	116	95	74	52	32	17	3	0	0
1,260	1,280	162	141	119	98	77	55	34	19	5	0	0
1,280	1,300	165	144	122	101	80	58	37	21	7	0	0
1,300	1,320	168	147	125	104	83	61	40	23	9	0	0
1,320	1,340	171	150	128	107	86	64	43	25	11	0	0
1,340	1,360	174	153	131	110	89	67	46	27	13	0	0
1,360	1,380	177	156	134	113	92	70	49	29	15	1	0
1,380	1,400	180	159	137	116	95	73	52	31	17	3	0
1,400	1,420	183	162	140	119	98	76	55	34	19	5	0
1,420	1,440	188	165	143	122	101	79	58	37	21	7	0
1,440	1,460	193	168	146	125	104	82	61	40	23	9	0
1,460	1,480	198	171	149	128	107	85	64	43	25	11	0
1,480	1,500	203	174	152	131	110	88	67	46	27	13	0
1,500	1,520	208	177	155	134	113	91	70	49	29	15	1
1,520	1,540	213	180	158	137	116	94	73	52	31	17	3
1,540	1,560	218	183	161	140	119	97	76	55	33	19	5
1,560	1,580	223	188	164	143	122	100	79	58	36	21	7
1,580	1,600	228	193	167	146	125	103	82	61	39	23	9
1,600	1,620	233	198	170	149	128	106	85	64	42	25	11
1,620	1,640	238	203	173	152	131	109	88	67	45	27	13
1,640	1,660	243	208	176	155	134	112	91	70	48	29	15
1,660	1,680	248	213	179	158	137	115	94	73	51	31	17
1,680	1,700	253	218	182	161	140	118	97	76	54	33	19
1,700	1,720	258	223	187	164	143	121	100	79	57	36	21
1,720	1,740	263	228	192	167	146	124	103	82	60	39	23
1,740	1,760	268	233	197	170	149	127	106	85	63	42	25
1,760	1,780	273	238	202	173	152	130	109	88	66	45	27
1,780	1,800	278	243	207	176	155	133	112	91	69	48	29
1,800	1,820	283	248	212	179	158	136	115	94	72	51	31
1,820	1,840	288	253	217	182	161	139	118	97	75	54	33
1,840	1,860	293	258	222	187	164	142	121	100	78	57	36
1,860	1,880	298	263	227	192	167	145	124	103	81	60	39
1,880	1,900	303	268	232	197	170	148	127	106	84	63	42
1,900	1,920	308	273	237	202	173	151	130	109	87	66	45
1,920	1,940	313	278	242	207	176	154	133	112	90	69	48
1,940	1,960	318	283	247	212	179	157	136	115	93	72	51
1,960	1,980	323	288	252	217	182	160	139	118	96	75	54
1,980	2,000	328	293	257	222	186	163	142	121	99	78	57
2,000	2,020	333	298	262	227	191	166	145	124	102	81	60
2,020	2,040	338	303	267	232	196	169	148	127	105	84	63
2,040	2,060	343	308	272	237	201	172	151	130	108	87	66
2,060	2,080	348	313	277	242	206	175	154	133	111	90	69
2,080	2,100	353	318	282	247	211	178	157	136	114	93	72

\$2,100 and over

Use Table 2(a) for a **SINGLE person** on page 36. Also see the instructions on page 35.

MARRIED Persons—BIWEEKLY Payroll Period

(For Wages Paid through December 2011)

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	\$310	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
310	320	1	0	0	0	0	0	0	0	0	0	0
320	330	2	0	0	0	0	0	0	0	0	0	0
330	340	3	0	0	0	0	0	0	0	0	0	0
340	350	4	0	0	0	0	0	0	0	0	0	0
350	360	5	0	0	0	0	0	0	0	0	0	0
360	370	6	0	0	0	0	0	0	0	0	0	0
370	380	7	0	0	0	0	0	0	0	0	0	0
380	390	8	0	0	0	0	0	0	0	0	0	0
390	400	9	0	0	0	0	0	0	0	0	0	0
400	410	10	0	0	0	0	0	0	0	0	0	0
410	420	11	0	0	0	0	0	0	0	0	0	0
420	430	12	0	0	0	0	0	0	0	0	0	0
430	440	13	0	0	0	0	0	0	0	0	0	0
440	450	14	0	0	0	0	0	0	0	0	0	0
450	460	15	1	0	0	0	0	0	0	0	0	0
460	470	16	2	0	0	0	0	0	0	0	0	0
470	480	17	3	0	0	0	0	0	0	0	0	0
480	490	18	4	0	0	0	0	0	0	0	0	0
490	500	19	5	0	0	0	0	0	0	0	0	0
500	520	21	6	0	0	0	0	0	0	0	0	0
520	540	23	8	0	0	0	0	0	0	0	0	0
540	560	25	10	0	0	0	0	0	0	0	0	0
560	580	27	12	0	0	0	0	0	0	0	0	0
580	600	29	14	0	0	0	0	0	0	0	0	0
600	620	31	16	2	0	0	0	0	0	0	0	0
620	640	33	18	4	0	0	0	0	0	0	0	0
640	660	35	20	6	0	0	0	0	0	0	0	0
660	680	37	22	8	0	0	0	0	0	0	0	0
680	700	39	24	10	0	0	0	0	0	0	0	0
700	720	41	26	12	0	0	0	0	0	0	0	0
720	740	43	28	14	0	0	0	0	0	0	0	0
740	760	45	30	16	2	0	0	0	0	0	0	0
760	780	47	32	18	4	0	0	0	0	0	0	0
780	800	49	34	20	6	0	0	0	0	0	0	0
800	820	51	36	22	8	0	0	0	0	0	0	0
820	840	53	38	24	10	0	0	0	0	0	0	0
840	860	55	40	26	12	0	0	0	0	0	0	0
860	880	57	42	28	14	0	0	0	0	0	0	0
880	900	59	44	30	16	2	0	0	0	0	0	0
900	920	61	46	32	18	4	0	0	0	0	0	0
920	940	63	48	34	20	6	0	0	0	0	0	0
940	960	65	50	36	22	8	0	0	0	0	0	0
960	980	67	52	38	24	10	0	0	0	0	0	0
980	1,000	70	54	40	26	12	0	0	0	0	0	0
1,000	1,020	73	56	42	28	14	0	0	0	0	0	0
1,020	1,040	76	58	44	30	16	1	0	0	0	0	0
1,040	1,060	79	60	46	32	18	3	0	0	0	0	0
1,060	1,080	82	62	48	34	20	5	0	0	0	0	0
1,080	1,100	85	64	50	36	22	7	0	0	0	0	0
1,100	1,120	88	67	52	38	24	9	0	0	0	0	0
1,120	1,140	91	70	54	40	26	11	0	0	0	0	0
1,140	1,160	94	73	56	42	28	13	0	0	0	0	0
1,160	1,180	97	76	58	44	30	15	1	0	0	0	0
1,180	1,200	100	79	60	46	32	17	3	0	0	0	0
1,200	1,220	103	82	62	48	34	19	5	0	0	0	0
1,220	1,240	106	85	64	50	36	21	7	0	0	0	0
1,240	1,260	109	88	67	52	38	23	9	0	0	0	0
1,260	1,280	112	91	70	54	40	25	11	0	0	0	0
1,280	1,300	115	94	73	56	42	27	13	0	0	0	0
1,300	1,320	118	97	76	58	44	29	15	1	0	0	0
1,320	1,340	121	100	79	60	46	31	17	3	0	0	0
1,340	1,360	124	103	82	62	48	33	19	5	0	0	0
1,360	1,380	127	106	85	64	50	35	21	7	0	0	0
1,380	1,400	130	109	88	66	52	37	23	9	0	0	0
1,400	1,420	133	112	91	69	54	39	25	11	0	0	0
1,420	1,440	136	115	94	72	56	41	27	13	0	0	0
1,440	1,460	139	118	97	75	58	43	29	15	1	0	0
1,460	1,480	142	121	100	78	60	45	31	17	3	0	0
1,480	1,500	145	124	103	81	62	47	33	19	5	0	0

MARRIED Persons—BIWEEKLY Payroll Period

(For Wages Paid through December 2011)

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—												
\$1,500	\$1,520	\$148	\$127	\$106	\$84	\$64	\$49	\$35	\$21	\$7	\$0	\$0
1,520	1,540	151	130	109	87	66	51	37	23	9	0	0
1,540	1,560	154	133	112	90	69	53	39	25	11	0	0
1,560	1,580	157	136	115	93	72	55	41	27	13	0	0
1,580	1,600	160	139	118	96	75	57	43	29	15	1	0
1,600	1,620	163	142	121	99	78	59	45	31	17	3	0
1,620	1,640	166	145	124	102	81	61	47	33	19	5	0
1,640	1,660	169	148	127	105	84	63	49	35	21	7	0
1,660	1,680	172	151	130	108	87	66	51	37	23	9	0
1,680	1,700	175	154	133	111	90	69	53	39	25	11	0
1,700	1,720	178	157	136	114	93	72	55	41	27	13	0
1,720	1,740	181	160	139	117	96	75	57	43	29	15	0
1,740	1,760	184	163	142	120	99	78	59	45	31	17	2
1,760	1,780	187	166	145	123	102	81	61	47	33	19	4
1,780	1,800	190	169	148	126	105	84	63	49	35	21	6
1,800	1,820	193	172	151	129	108	87	65	51	37	23	8
1,820	1,840	196	175	154	132	111	90	68	53	39	25	10
1,840	1,860	199	178	157	135	114	93	71	55	41	27	12
1,860	1,880	202	181	160	138	117	96	74	57	43	29	14
1,880	1,900	205	184	163	141	120	99	77	59	45	31	16
1,900	1,920	208	187	166	144	123	102	80	61	47	33	18
1,920	1,940	211	190	169	147	126	105	83	63	49	35	20
1,940	1,960	214	193	172	150	129	108	86	65	51	37	22
1,960	1,980	217	196	175	153	132	111	89	68	53	39	24
1,980	2,000	220	199	178	156	135	114	92	71	55	41	26
2,000	2,020	223	202	181	159	138	117	95	74	57	43	28
2,020	2,040	226	205	184	162	141	120	98	77	59	45	30
2,040	2,060	229	208	187	165	144	123	101	80	61	47	32
2,060	2,080	232	211	190	168	147	126	104	83	63	49	34
2,080	2,100	235	214	193	171	150	129	107	86	65	51	36
2,100	2,120	238	217	196	174	153	132	110	89	67	53	38
2,120	2,140	241	220	199	177	156	135	113	92	70	55	40
2,140	2,160	244	223	202	180	159	138	116	95	73	57	42
2,160	2,180	247	226	205	183	162	141	119	98	76	59	44
2,180	2,200	250	229	208	186	165	144	122	101	79	61	46
2,200	2,220	253	232	211	189	168	147	125	104	82	63	48
2,220	2,240	256	235	214	192	171	150	128	107	85	65	50
2,240	2,260	259	238	217	195	174	153	131	110	88	67	52
2,260	2,280	262	241	220	198	177	156	134	113	91	70	54
2,280	2,300	265	244	223	201	180	159	137	116	94	73	56
2,300	2,320	268	247	226	204	183	162	140	119	97	76	58
2,320	2,340	271	250	229	207	186	165	143	122	100	79	60
2,340	2,360	274	253	232	210	189	168	146	125	103	82	62
2,360	2,380	277	256	235	213	192	171	149	128	106	85	64
2,380	2,400	280	259	238	216	195	174	152	131	109	88	67
2,400	2,420	283	262	241	219	198	177	155	134	112	91	70
2,420	2,440	286	265	244	222	201	180	158	137	115	94	73
2,440	2,460	289	268	247	225	204	183	161	140	118	97	76
2,460	2,480	292	271	250	228	207	186	164	143	121	100	79
2,480	2,500	295	274	253	231	210	189	167	146	124	103	82
2,500	2,520	298	277	256	234	213	192	170	149	127	106	85
2,520	2,540	301	280	259	237	216	195	173	152	130	109	88
2,540	2,560	304	283	262	240	219	198	176	155	133	112	91
2,560	2,580	307	286	265	243	222	201	179	158	136	115	94
2,580	2,600	310	289	268	246	225	204	182	161	139	118	97
2,600	2,620	313	292	271	249	228	207	185	164	142	121	100
2,620	2,640	316	295	274	252	231	210	188	167	145	124	103
2,640	2,660	319	298	277	255	234	213	191	170	148	127	106
2,660	2,680	322	301	280	258	237	216	194	173	151	130	109
2,680	2,700	325	304	283	261	240	219	197	176	154	133	112
\$2,700 and over		Use Table 2(b) for a MARRIED person on page 36. Also see the instructions on page 35.										

SINGLE Persons—SEMIMONTHLY Payroll Period

(For Wages Paid through December 2011)

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	\$115	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
115	120	3	0	0	0	0	0	0	0	0	0	0
120	125	4	0	0	0	0	0	0	0	0	0	0
125	130	4	0	0	0	0	0	0	0	0	0	0
130	135	5	0	0	0	0	0	0	0	0	0	0
135	140	5	0	0	0	0	0	0	0	0	0	0
140	145	6	0	0	0	0	0	0	0	0	0	0
145	150	6	0	0	0	0	0	0	0	0	0	0
150	155	7	0	0	0	0	0	0	0	0	0	0
155	160	7	0	0	0	0	0	0	0	0	0	0
160	165	8	0	0	0	0	0	0	0	0	0	0
165	170	8	0	0	0	0	0	0	0	0	0	0
170	175	9	0	0	0	0	0	0	0	0	0	0
175	180	9	0	0	0	0	0	0	0	0	0	0
180	185	10	0	0	0	0	0	0	0	0	0	0
185	190	10	0	0	0	0	0	0	0	0	0	0
190	195	11	0	0	0	0	0	0	0	0	0	0
195	200	11	0	0	0	0	0	0	0	0	0	0
200	205	12	0	0	0	0	0	0	0	0	0	0
205	210	12	0	0	0	0	0	0	0	0	0	0
210	215	13	0	0	0	0	0	0	0	0	0	0
215	220	13	0	0	0	0	0	0	0	0	0	0
220	225	14	0	0	0	0	0	0	0	0	0	0
225	230	14	0	0	0	0	0	0	0	0	0	0
230	235	15	0	0	0	0	0	0	0	0	0	0
235	240	15	0	0	0	0	0	0	0	0	0	0
240	245	16	0	0	0	0	0	0	0	0	0	0
245	250	16	1	0	0	0	0	0	0	0	0	0
250	260	17	1	0	0	0	0	0	0	0	0	0
260	270	18	2	0	0	0	0	0	0	0	0	0
270	280	19	3	0	0	0	0	0	0	0	0	0
280	290	20	4	0	0	0	0	0	0	0	0	0
290	300	21	5	0	0	0	0	0	0	0	0	0
300	310	22	6	0	0	0	0	0	0	0	0	0
310	320	23	7	0	0	0	0	0	0	0	0	0
320	330	24	8	0	0	0	0	0	0	0	0	0
330	340	25	9	0	0	0	0	0	0	0	0	0
340	350	26	10	0	0	0	0	0	0	0	0	0
350	360	27	11	0	0	0	0	0	0	0	0	0
360	370	28	12	0	0	0	0	0	0	0	0	0
370	380	29	13	0	0	0	0	0	0	0	0	0
380	390	30	14	0	0	0	0	0	0	0	0	0
390	400	31	15	0	0	0	0	0	0	0	0	0
400	410	32	16	1	0	0	0	0	0	0	0	0
410	420	33	17	2	0	0	0	0	0	0	0	0
420	430	34	18	3	0	0	0	0	0	0	0	0
430	440	35	19	4	0	0	0	0	0	0	0	0
440	450	36	20	5	0	0	0	0	0	0	0	0
450	460	37	21	6	0	0	0	0	0	0	0	0
460	470	39	22	7	0	0	0	0	0	0	0	0
470	480	40	23	8	0	0	0	0	0	0	0	0
480	490	42	24	9	0	0	0	0	0	0	0	0
490	500	43	25	10	0	0	0	0	0	0	0	0
500	520	46	27	11	0	0	0	0	0	0	0	0
520	540	49	29	13	0	0	0	0	0	0	0	0
540	560	52	31	15	0	0	0	0	0	0	0	0
560	580	55	33	17	2	0	0	0	0	0	0	0
580	600	58	35	19	4	0	0	0	0	0	0	0
600	620	61	38	21	6	0	0	0	0	0	0	0
620	640	64	41	23	8	0	0	0	0	0	0	0
640	660	67	44	25	10	0	0	0	0	0	0	0
660	680	70	47	27	12	0	0	0	0	0	0	0
680	700	73	50	29	14	0	0	0	0	0	0	0
700	720	76	53	31	16	1	0	0	0	0	0	0
720	740	79	56	33	18	3	0	0	0	0	0	0
740	760	82	59	35	20	5	0	0	0	0	0	0
760	780	85	62	38	22	7	0	0	0	0	0	0
780	800	88	65	41	24	9	0	0	0	0	0	0

SINGLE Persons—SEMIMONTHLY Payroll Period

(For Wages Paid through December 2011)

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—										
\$800	\$820	\$91	\$68	\$44	\$26	\$11	\$0	\$0	\$0	\$0	\$0	\$0
820	840	94	71	47	28	13	0	0	0	0	0	0
840	860	97	74	50	30	15	0	0	0	0	0	0
860	880	100	77	53	32	17	1	0	0	0	0	0
880	900	103	80	56	34	19	3	0	0	0	0	0
900	920	106	83	59	36	21	5	0	0	0	0	0
920	940	109	86	62	39	23	7	0	0	0	0	0
940	960	112	89	65	42	25	9	0	0	0	0	0
960	980	115	92	68	45	27	11	0	0	0	0	0
980	1,000	118	95	71	48	29	13	0	0	0	0	0
1,000	1,020	121	98	74	51	31	15	0	0	0	0	0
1,020	1,040	124	101	77	54	33	17	2	0	0	0	0
1,040	1,060	127	104	80	57	35	19	4	0	0	0	0
1,060	1,080	130	107	83	60	37	21	6	0	0	0	0
1,080	1,100	133	110	86	63	40	23	8	0	0	0	0
1,100	1,120	136	113	89	66	43	25	10	0	0	0	0
1,120	1,140	139	116	92	69	46	27	12	0	0	0	0
1,140	1,160	142	119	95	72	49	29	14	0	0	0	0
1,160	1,180	145	122	98	75	52	31	16	0	0	0	0
1,180	1,200	148	125	101	78	55	33	18	2	0	0	0
1,200	1,220	151	128	104	81	58	35	20	4	0	0	0
1,220	1,240	154	131	107	84	61	38	22	6	0	0	0
1,240	1,260	157	134	110	87	64	41	24	8	0	0	0
1,260	1,280	160	137	113	90	67	44	26	10	0	0	0
1,280	1,300	163	140	116	93	70	47	28	12	0	0	0
1,300	1,320	166	143	119	96	73	50	30	14	0	0	0
1,320	1,340	169	146	122	99	76	53	32	16	1	0	0
1,340	1,360	172	149	125	102	79	56	34	18	3	0	0
1,360	1,380	175	152	128	105	82	59	36	20	5	0	0
1,380	1,400	178	155	131	108	85	62	39	22	7	0	0
1,400	1,420	181	158	134	111	88	65	42	24	9	0	0
1,420	1,440	184	161	137	114	91	68	45	26	11	0	0
1,440	1,460	187	164	140	117	94	71	48	28	13	0	0
1,460	1,480	190	167	143	120	97	74	51	30	15	0	0
1,480	1,500	193	170	146	123	100	77	54	32	17	2	0
1,500	1,520	196	173	149	126	103	80	57	34	19	4	0
1,520	1,540	199	176	152	129	106	83	60	37	21	6	0
1,540	1,560	204	179	155	132	109	86	63	40	23	8	0
1,560	1,580	209	182	158	135	112	89	66	43	25	10	0
1,580	1,600	214	185	161	138	115	92	69	46	27	12	0
1,600	1,620	219	188	164	141	118	95	72	49	29	14	0
1,620	1,640	224	191	167	144	121	98	75	52	31	16	0
1,640	1,660	229	194	170	147	124	101	78	55	33	18	2
1,660	1,680	234	197	173	150	127	104	81	58	35	20	4
1,680	1,700	239	201	176	153	130	107	84	61	38	22	6
1,700	1,720	244	206	179	156	133	110	87	64	41	24	8
1,720	1,740	249	211	182	159	136	113	90	67	44	26	10
1,740	1,760	254	216	185	162	139	116	93	70	47	28	12
1,760	1,780	259	221	188	165	142	119	96	73	50	30	14
1,780	1,800	264	226	191	168	145	122	99	76	53	32	16
1,800	1,820	269	231	194	171	148	125	102	79	56	34	18
1,820	1,840	274	236	197	174	151	128	105	82	59	36	20
1,840	1,860	279	241	202	177	154	131	108	85	62	39	22
1,860	1,880	284	246	207	180	157	134	111	88	65	42	24
1,880	1,900	289	251	212	183	160	137	114	91	68	45	26
1,900	1,920	294	256	217	186	163	140	117	94	71	48	28
1,920	1,940	299	261	222	189	166	143	120	97	74	51	30
1,940	1,960	304	266	227	192	169	146	123	100	77	54	32
1,960	1,980	309	271	232	195	172	149	126	103	80	57	34
1,980	2,000	314	276	237	199	175	152	129	106	83	60	36
2,000	2,020	319	281	242	204	178	155	132	109	86	63	39
2,020	2,040	324	286	247	209	181	158	135	112	89	66	42
2,040	2,060	329	291	252	214	184	161	138	115	92	69	45
2,060	2,080	334	296	257	219	187	164	141	118	95	72	48
2,080	2,100	339	301	262	224	190	167	144	121	98	75	51
2,100	2,120	344	306	267	229	193	170	147	124	101	78	54
2,120	2,140	349	311	272	234	196	173	150	127	104	81	57

\$2,140 and over

Use Table 3(a) for a **SINGLE person** on page 36. Also see the instructions on page 35.

MARRIED Persons—SEMIMONTHLY Payroll Period

(For Wages Paid through December 2011)

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	\$330	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
330	340	1	0	0	0	0	0	0	0	0	0	0
340	350	2	0	0	0	0	0	0	0	0	0	0
350	360	3	0	0	0	0	0	0	0	0	0	0
360	370	4	0	0	0	0	0	0	0	0	0	0
370	380	5	0	0	0	0	0	0	0	0	0	0
380	390	6	0	0	0	0	0	0	0	0	0	0
390	400	7	0	0	0	0	0	0	0	0	0	0
400	410	8	0	0	0	0	0	0	0	0	0	0
410	420	9	0	0	0	0	0	0	0	0	0	0
420	430	10	0	0	0	0	0	0	0	0	0	0
430	440	11	0	0	0	0	0	0	0	0	0	0
440	450	12	0	0	0	0	0	0	0	0	0	0
450	460	13	0	0	0	0	0	0	0	0	0	0
460	470	14	0	0	0	0	0	0	0	0	0	0
470	480	15	0	0	0	0	0	0	0	0	0	0
480	490	16	0	0	0	0	0	0	0	0	0	0
490	500	17	1	0	0	0	0	0	0	0	0	0
500	520	18	3	0	0	0	0	0	0	0	0	0
520	540	20	5	0	0	0	0	0	0	0	0	0
540	560	22	7	0	0	0	0	0	0	0	0	0
560	580	24	9	0	0	0	0	0	0	0	0	0
580	600	26	11	0	0	0	0	0	0	0	0	0
600	620	28	13	0	0	0	0	0	0	0	0	0
620	640	30	15	0	0	0	0	0	0	0	0	0
640	660	32	17	1	0	0	0	0	0	0	0	0
660	680	34	19	3	0	0	0	0	0	0	0	0
680	700	36	21	5	0	0	0	0	0	0	0	0
700	720	38	23	7	0	0	0	0	0	0	0	0
720	740	40	25	9	0	0	0	0	0	0	0	0
740	760	42	27	11	0	0	0	0	0	0	0	0
760	780	44	29	13	0	0	0	0	0	0	0	0
780	800	46	31	15	0	0	0	0	0	0	0	0
800	820	48	33	17	2	0	0	0	0	0	0	0
820	840	50	35	19	4	0	0	0	0	0	0	0
840	860	52	37	21	6	0	0	0	0	0	0	0
860	880	54	39	23	8	0	0	0	0	0	0	0
880	900	56	41	25	10	0	0	0	0	0	0	0
900	920	58	43	27	12	0	0	0	0	0	0	0
920	940	60	45	29	14	0	0	0	0	0	0	0
940	960	62	47	31	16	0	0	0	0	0	0	0
960	980	64	49	33	18	2	0	0	0	0	0	0
980	1,000	66	51	35	20	4	0	0	0	0	0	0
1,000	1,020	68	53	37	22	6	0	0	0	0	0	0
1,020	1,040	70	55	39	24	8	0	0	0	0	0	0
1,040	1,060	73	57	41	26	10	0	0	0	0	0	0
1,060	1,080	76	59	43	28	12	0	0	0	0	0	0
1,080	1,100	79	61	45	30	14	0	0	0	0	0	0
1,100	1,120	82	63	47	32	16	1	0	0	0	0	0
1,120	1,140	85	65	49	34	18	3	0	0	0	0	0
1,140	1,160	88	67	51	36	20	5	0	0	0	0	0
1,160	1,180	91	69	53	38	22	7	0	0	0	0	0
1,180	1,200	94	71	55	40	24	9	0	0	0	0	0
1,200	1,220	97	74	57	42	26	11	0	0	0	0	0
1,220	1,240	100	77	59	44	28	13	0	0	0	0	0
1,240	1,260	103	80	61	46	30	15	0	0	0	0	0
1,260	1,280	106	83	63	48	32	17	2	0	0	0	0
1,280	1,300	109	86	65	50	34	19	4	0	0	0	0
1,300	1,320	112	89	67	52	36	21	6	0	0	0	0
1,320	1,340	115	92	69	54	38	23	8	0	0	0	0
1,340	1,360	118	95	71	56	40	25	10	0	0	0	0
1,360	1,380	121	98	74	58	42	27	12	0	0	0	0
1,380	1,400	124	101	77	60	44	29	14	0	0	0	0
1,400	1,420	127	104	80	62	46	31	16	0	0	0	0
1,420	1,440	130	107	83	64	48	33	18	2	0	0	0
1,440	1,460	133	110	86	66	50	35	20	4	0	0	0
1,460	1,480	136	113	89	68	52	37	22	6	0	0	0
1,480	1,500	139	116	92	70	54	39	24	8	0	0	0

MARRIED Persons—SEMIMONTHLY Payroll Period
(For Wages Paid through December 2011)

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—												
\$1,500	\$1,520	\$142	\$119	\$95	\$72	\$56	\$41	\$26	\$10	\$0	\$0	\$0
1,520	1,540	145	122	98	75	58	43	28	12	0	0	0
1,540	1,560	148	125	101	78	60	45	30	14	0	0	0
1,560	1,580	151	128	104	81	62	47	32	16	1	0	0
1,580	1,600	154	131	107	84	64	49	34	18	3	0	0
1,600	1,620	157	134	110	87	66	51	36	20	5	0	0
1,620	1,640	160	137	113	90	68	53	38	22	7	0	0
1,640	1,660	163	140	116	93	70	55	40	24	9	0	0
1,660	1,680	166	143	119	96	73	57	42	26	11	0	0
1,680	1,700	169	146	122	99	76	59	44	28	13	0	0
1,700	1,720	172	149	125	102	79	61	46	30	15	0	0
1,720	1,740	175	152	128	105	82	63	48	32	17	1	0
1,740	1,760	178	155	131	108	85	65	50	34	19	3	0
1,760	1,780	181	158	134	111	88	67	52	36	21	5	0
1,780	1,800	184	161	137	114	91	69	54	38	23	7	0
1,800	1,820	187	164	140	117	94	71	56	40	25	9	0
1,820	1,840	190	167	143	120	97	74	58	42	27	11	0
1,840	1,860	193	170	146	123	100	77	60	44	29	13	0
1,860	1,880	196	173	149	126	103	80	62	46	31	15	0
1,880	1,900	199	176	152	129	106	83	64	48	33	17	2
1,900	1,920	202	179	155	132	109	86	66	50	35	19	4
1,920	1,940	205	182	158	135	112	89	68	52	37	21	6
1,940	1,960	208	185	161	138	115	92	70	54	39	23	8
1,960	1,980	211	188	164	141	118	95	72	56	41	25	10
1,980	2,000	214	191	167	144	121	98	75	58	43	27	12
2,000	2,020	217	194	170	147	124	101	78	60	45	29	14
2,020	2,040	220	197	173	150	127	104	81	62	47	31	16
2,040	2,060	223	200	176	153	130	107	84	64	49	33	18
2,060	2,080	226	203	179	156	133	110	87	66	51	35	20
2,080	2,100	229	206	182	159	136	113	90	68	53	37	22
2,100	2,120	232	209	185	162	139	116	93	70	55	39	24
2,120	2,140	235	212	188	165	142	119	96	73	57	41	26
2,140	2,160	238	215	191	168	145	122	99	76	59	43	28
2,160	2,180	241	218	194	171	148	125	102	79	61	45	30
2,180	2,200	244	221	197	174	151	128	105	82	63	47	32
2,200	2,220	247	224	200	177	154	131	108	85	65	49	34
2,220	2,240	250	227	203	180	157	134	111	88	67	51	36
2,240	2,260	253	230	206	183	160	137	114	91	69	53	38
2,260	2,280	256	233	209	186	163	140	117	94	71	55	40
2,280	2,300	259	236	212	189	166	143	120	97	74	57	42
2,300	2,320	262	239	215	192	169	146	123	100	77	59	44
2,320	2,340	265	242	218	195	172	149	126	103	80	61	46
2,340	2,360	268	245	221	198	175	152	129	106	83	63	48
2,360	2,380	271	248	224	201	178	155	132	109	86	65	50
2,380	2,400	274	251	227	204	181	158	135	112	89	67	52
2,400	2,420	277	254	230	207	184	161	138	115	92	69	54
2,420	2,440	280	257	233	210	187	164	141	118	95	72	56
2,440	2,460	283	260	236	213	190	167	144	121	98	75	58
2,460	2,480	286	263	239	216	193	170	147	124	101	78	60
2,480	2,500	289	266	242	219	196	173	150	127	104	81	62
2,500	2,520	292	269	245	222	199	176	153	130	107	84	64
2,520	2,540	295	272	248	225	202	179	156	133	110	87	66
2,540	2,560	298	275	251	228	205	182	159	136	113	90	68
2,560	2,580	301	278	254	231	208	185	162	139	116	93	70
2,580	2,600	304	281	257	234	211	188	165	142	119	96	72
2,600	2,620	307	284	260	237	214	191	168	145	122	99	75
2,620	2,640	310	287	263	240	217	194	171	148	125	102	78
2,640	2,660	313	290	266	243	220	197	174	151	128	105	81
2,660	2,680	316	293	269	246	223	200	177	154	131	108	84
2,680	2,700	319	296	272	249	226	203	180	157	134	111	87
2,700	2,720	322	299	275	252	229	206	183	160	137	114	90
2,720	2,740	325	302	278	255	232	209	186	163	140	117	93

\$2,740 and over

Use Table 3(b) for a **MARRIED person** on page 36. Also see the instructions on page 35.

SINGLE Persons—MONTHLY Payroll Period

(For Wages Paid through December 2011)

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	\$220	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
220	230	5	0	0	0	0	0	0	0	0	0	0
230	240	6	0	0	0	0	0	0	0	0	0	0
240	250	7	0	0	0	0	0	0	0	0	0	0
250	260	8	0	0	0	0	0	0	0	0	0	0
260	270	9	0	0	0	0	0	0	0	0	0	0
270	280	10	0	0	0	0	0	0	0	0	0	0
280	290	11	0	0	0	0	0	0	0	0	0	0
290	300	12	0	0	0	0	0	0	0	0	0	0
300	320	14	0	0	0	0	0	0	0	0	0	0
320	340	16	0	0	0	0	0	0	0	0	0	0
340	360	18	0	0	0	0	0	0	0	0	0	0
360	380	20	0	0	0	0	0	0	0	0	0	0
380	400	22	0	0	0	0	0	0	0	0	0	0
400	420	24	0	0	0	0	0	0	0	0	0	0
420	440	26	0	0	0	0	0	0	0	0	0	0
440	460	28	0	0	0	0	0	0	0	0	0	0
460	480	30	0	0	0	0	0	0	0	0	0	0
480	500	32	1	0	0	0	0	0	0	0	0	0
500	520	34	3	0	0	0	0	0	0	0	0	0
520	540	36	5	0	0	0	0	0	0	0	0	0
540	560	38	7	0	0	0	0	0	0	0	0	0
560	580	40	9	0	0	0	0	0	0	0	0	0
580	600	42	11	0	0	0	0	0	0	0	0	0
600	640	45	14	0	0	0	0	0	0	0	0	0
640	680	49	18	0	0	0	0	0	0	0	0	0
680	720	53	22	0	0	0	0	0	0	0	0	0
720	760	57	26	0	0	0	0	0	0	0	0	0
760	800	61	30	0	0	0	0	0	0	0	0	0
800	840	65	34	3	0	0	0	0	0	0	0	0
840	880	69	38	7	0	0	0	0	0	0	0	0
880	920	73	42	11	0	0	0	0	0	0	0	0
920	960	79	46	15	0	0	0	0	0	0	0	0
960	1,000	85	50	19	0	0	0	0	0	0	0	0
1,000	1,040	91	54	23	0	0	0	0	0	0	0	0
1,040	1,080	97	58	27	0	0	0	0	0	0	0	0
1,080	1,120	103	62	31	0	0	0	0	0	0	0	0
1,120	1,160	109	66	35	4	0	0	0	0	0	0	0
1,160	1,200	115	70	39	8	0	0	0	0	0	0	0
1,200	1,240	121	75	43	12	0	0	0	0	0	0	0
1,240	1,280	127	81	47	16	0	0	0	0	0	0	0
1,280	1,320	133	87	51	20	0	0	0	0	0	0	0
1,320	1,360	139	93	55	24	0	0	0	0	0	0	0
1,360	1,400	145	99	59	28	0	0	0	0	0	0	0
1,400	1,440	151	105	63	32	1	0	0	0	0	0	0
1,440	1,480	157	111	67	36	5	0	0	0	0	0	0
1,480	1,520	163	117	71	40	9	0	0	0	0	0	0
1,520	1,560	169	123	77	44	13	0	0	0	0	0	0
1,560	1,600	175	129	83	48	17	0	0	0	0	0	0
1,600	1,640	181	135	89	52	21	0	0	0	0	0	0
1,640	1,680	187	141	95	56	25	0	0	0	0	0	0
1,680	1,720	193	147	101	60	29	0	0	0	0	0	0
1,720	1,760	199	153	107	64	33	2	0	0	0	0	0
1,760	1,800	205	159	113	68	37	6	0	0	0	0	0
1,800	1,840	211	165	119	73	41	10	0	0	0	0	0
1,840	1,880	217	171	125	79	45	14	0	0	0	0	0
1,880	1,920	223	177	131	85	49	18	0	0	0	0	0
1,920	1,960	229	183	137	91	53	22	0	0	0	0	0
1,960	2,000	235	189	143	97	57	26	0	0	0	0	0
2,000	2,040	241	195	149	103	61	30	0	0	0	0	0
2,040	2,080	247	201	155	109	65	34	4	0	0	0	0
2,080	2,120	253	207	161	115	69	38	8	0	0	0	0
2,120	2,160	259	213	167	121	74	42	12	0	0	0	0
2,160	2,200	265	219	173	127	80	46	16	0	0	0	0
2,200	2,240	271	225	179	133	86	50	20	0	0	0	0
2,240	2,280	277	231	185	139	92	54	24	0	0	0	0
2,280	2,320	283	237	191	145	98	58	28	0	0	0	0
2,320	2,360	289	243	197	151	104	62	32	1	0	0	0
2,360	2,400	295	249	203	157	110	66	36	5	0	0	0

SINGLE Persons—MONTHLY Payroll Period

(For Wages Paid through December 2011)

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—												
\$2,400	\$2,440	\$301	\$255	\$209	\$163	\$116	\$70	\$40	\$9	\$0	\$0	\$0
2,440	2,480	307	261	215	169	122	76	44	13	0	0	0
2,480	2,520	313	267	221	175	128	82	48	17	0	0	0
2,520	2,560	319	273	227	181	134	88	52	21	0	0	0
2,560	2,600	325	279	233	187	140	94	56	25	0	0	0
2,600	2,640	331	285	239	193	146	100	60	29	0	0	0
2,640	2,680	337	291	245	199	152	106	64	33	2	0	0
2,680	2,720	343	297	251	205	158	112	68	37	6	0	0
2,720	2,760	349	303	257	211	164	118	72	41	10	0	0
2,760	2,800	355	309	263	217	170	124	78	45	14	0	0
2,800	2,840	361	315	269	223	176	130	84	49	18	0	0
2,840	2,880	367	321	275	229	182	136	90	53	22	0	0
2,880	2,920	373	327	281	235	188	142	96	57	26	0	0
2,920	2,960	379	333	287	241	194	148	102	61	30	0	0
2,960	3,000	385	339	293	247	200	154	108	65	34	3	0
3,000	3,040	391	345	299	253	206	160	114	69	38	7	0
3,040	3,080	398	351	305	259	212	166	120	74	42	11	0
3,080	3,120	408	357	311	265	218	172	126	80	46	15	0
3,120	3,160	418	363	317	271	224	178	132	86	50	19	0
3,160	3,200	428	369	323	277	230	184	138	92	54	23	0
3,200	3,240	438	375	329	283	236	190	144	98	58	27	0
3,240	3,280	448	381	335	289	242	196	150	104	62	31	0
3,280	3,320	458	387	341	295	248	202	156	110	66	35	4
3,320	3,360	468	393	347	301	254	208	162	116	70	39	8
3,360	3,400	478	401	353	307	260	214	168	122	75	43	12
3,400	3,440	488	411	359	313	266	220	174	128	81	47	16
3,440	3,480	498	421	365	319	272	226	180	134	87	51	20
3,480	3,520	508	431	371	325	278	232	186	140	93	55	24
3,520	3,560	518	441	377	331	284	238	192	146	99	59	28
3,560	3,600	528	451	383	337	290	244	198	152	105	63	32
3,600	3,640	538	461	389	343	296	250	204	158	111	67	36
3,640	3,680	548	471	395	349	302	256	210	164	117	71	40
3,680	3,720	558	481	404	355	308	262	216	170	123	77	44
3,720	3,760	568	491	414	361	314	268	222	176	129	83	48
3,760	3,800	578	501	424	367	320	274	228	182	135	89	52
3,800	3,840	588	511	434	373	326	280	234	188	141	95	56
3,840	3,880	598	521	444	379	332	286	240	194	147	101	60
3,880	3,920	608	531	454	385	338	292	246	200	153	107	64
3,920	3,960	618	541	464	391	344	298	252	206	159	113	68
3,960	4,000	628	551	474	397	350	304	258	212	165	119	73
4,000	4,040	638	561	484	407	356	310	264	218	171	125	79
4,040	4,080	648	571	494	417	362	316	270	224	177	131	85
4,080	4,120	658	581	504	427	368	322	276	230	183	137	91
4,120	4,160	668	591	514	437	374	328	282	236	189	143	97
4,160	4,200	678	601	524	447	380	334	288	242	195	149	103
4,200	4,240	688	611	534	457	386	340	294	248	201	155	109
4,240	4,280	698	621	544	467	392	346	300	254	207	161	115
4,280	4,320	708	631	554	477	400	352	306	260	213	167	121
4,320	4,360	718	641	564	487	410	358	312	266	219	173	127
4,360	4,400	728	651	574	497	420	364	318	272	225	179	133
4,400	4,440	738	661	584	507	430	370	324	278	231	185	139
4,440	4,480	748	671	594	517	440	376	330	284	237	191	145
4,480	4,520	758	681	604	527	450	382	336	290	243	197	151
4,520	4,560	768	691	614	537	460	388	342	296	249	203	157
4,560	4,600	778	701	624	547	470	394	348	302	255	209	163
4,600	4,640	788	711	634	557	480	403	354	308	261	215	169
4,640	4,680	798	721	644	567	490	413	360	314	267	221	175
4,680	4,720	808	731	654	577	500	423	366	320	273	227	181
4,720	4,760	818	741	664	587	510	433	372	326	279	233	187
4,760	4,800	828	751	674	597	520	443	378	332	285	239	193
4,800	4,840	838	761	684	607	530	453	384	338	291	245	199
4,840	4,880	848	771	694	617	540	463	390	344	297	251	205
4,880	4,920	858	781	704	627	550	473	396	350	303	257	211
4,920	4,960	868	791	714	637	560	483	406	356	309	263	217
4,960	5,000	878	801	724	647	570	493	416	362	315	269	223
5,000	5,040	888	811	734	657	580	503	426	368	321	275	229
5,040	5,080	898	821	744	667	590	513	436	374	327	281	235

\$5,080 and over

Use Table 4(a) for a **SINGLE person** on page 36. Also see the instructions on page 35.

MARRIED Persons—MONTHLY Payroll Period

(For Wages Paid through December 2011)

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	\$680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
680	720	4	0	0	0	0	0	0	0	0	0	0
720	760	8	0	0	0	0	0	0	0	0	0	0
760	800	12	0	0	0	0	0	0	0	0	0	0
800	840	16	0	0	0	0	0	0	0	0	0	0
840	880	20	0	0	0	0	0	0	0	0	0	0
880	920	24	0	0	0	0	0	0	0	0	0	0
920	960	28	0	0	0	0	0	0	0	0	0	0
960	1,000	32	1	0	0	0	0	0	0	0	0	0
1,000	1,040	36	5	0	0	0	0	0	0	0	0	0
1,040	1,080	40	9	0	0	0	0	0	0	0	0	0
1,080	1,120	44	13	0	0	0	0	0	0	0	0	0
1,120	1,160	48	17	0	0	0	0	0	0	0	0	0
1,160	1,200	52	21	0	0	0	0	0	0	0	0	0
1,200	1,240	56	25	0	0	0	0	0	0	0	0	0
1,240	1,280	60	29	0	0	0	0	0	0	0	0	0
1,280	1,320	64	33	3	0	0	0	0	0	0	0	0
1,320	1,360	68	37	7	0	0	0	0	0	0	0	0
1,360	1,400	72	41	11	0	0	0	0	0	0	0	0
1,400	1,440	76	45	15	0	0	0	0	0	0	0	0
1,440	1,480	80	49	19	0	0	0	0	0	0	0	0
1,480	1,520	84	53	23	0	0	0	0	0	0	0	0
1,520	1,560	88	57	27	0	0	0	0	0	0	0	0
1,560	1,600	92	61	31	0	0	0	0	0	0	0	0
1,600	1,640	96	65	35	4	0	0	0	0	0	0	0
1,640	1,680	100	69	39	8	0	0	0	0	0	0	0
1,680	1,720	104	73	43	12	0	0	0	0	0	0	0
1,720	1,760	108	77	47	16	0	0	0	0	0	0	0
1,760	1,800	112	81	51	20	0	0	0	0	0	0	0
1,800	1,840	116	85	55	24	0	0	0	0	0	0	0
1,840	1,880	120	89	59	28	0	0	0	0	0	0	0
1,880	1,920	124	93	63	32	1	0	0	0	0	0	0
1,920	1,960	128	97	67	36	5	0	0	0	0	0	0
1,960	2,000	132	101	71	40	9	0	0	0	0	0	0
2,000	2,040	136	105	75	44	13	0	0	0	0	0	0
2,040	2,080	140	109	79	48	17	0	0	0	0	0	0
2,080	2,120	145	113	83	52	21	0	0	0	0	0	0
2,120	2,160	151	117	87	56	25	0	0	0	0	0	0
2,160	2,200	157	121	91	60	29	0	0	0	0	0	0
2,200	2,240	163	125	95	64	33	2	0	0	0	0	0
2,240	2,280	169	129	99	68	37	6	0	0	0	0	0
2,280	2,320	175	133	103	72	41	10	0	0	0	0	0
2,320	2,360	181	137	107	76	45	14	0	0	0	0	0
2,360	2,400	187	141	111	80	49	18	0	0	0	0	0
2,400	2,440	193	147	115	84	53	22	0	0	0	0	0
2,440	2,480	199	153	119	88	57	26	0	0	0	0	0
2,480	2,520	205	159	123	92	61	30	0	0	0	0	0
2,520	2,560	211	165	127	96	65	34	3	0	0	0	0
2,560	2,600	217	171	131	100	69	38	7	0	0	0	0
2,600	2,640	223	177	135	104	73	42	11	0	0	0	0
2,640	2,680	229	183	139	108	77	46	15	0	0	0	0
2,680	2,720	235	189	143	112	81	50	19	0	0	0	0
2,720	2,760	241	195	149	116	85	54	23	0	0	0	0
2,760	2,800	247	201	155	120	89	58	27	0	0	0	0
2,800	2,840	253	207	161	124	93	62	31	0	0	0	0
2,840	2,880	259	213	167	128	97	66	35	4	0	0	0
2,880	2,920	265	219	173	132	101	70	39	8	0	0	0
2,920	2,960	271	225	179	136	105	74	43	12	0	0	0
2,960	3,000	277	231	185	140	109	78	47	16	0	0	0
3,000	3,040	283	237	191	145	113	82	51	20	0	0	0
3,040	3,080	289	243	197	151	117	86	55	24	0	0	0
3,080	3,120	295	249	203	157	121	90	59	28	0	0	0
3,120	3,160	301	255	209	163	125	94	63	32	2	0	0
3,160	3,200	307	261	215	169	129	98	67	36	6	0	0
3,200	3,240	313	267	221	175	133	102	71	40	10	0	0
3,240	3,280	319	273	227	181	137	106	75	44	14	0	0
3,280	3,320	325	279	233	187	141	110	79	48	18	0	0
3,320	3,360	331	285	239	193	146	114	83	52	22	0	0
3,360	3,400	337	291	245	199	152	118	87	56	26	0	0

MARRIED Persons—MONTHLY Payroll Period

(For Wages Paid through December 2011)

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—												
\$3,400	\$3,440	\$343	\$297	\$251	\$205	\$158	\$122	\$91	\$60	\$30	\$0	\$0
3,440	3,480	349	303	257	211	164	126	95	64	34	3	0
3,480	3,520	355	309	263	217	170	130	99	68	38	7	0
3,520	3,560	361	315	269	223	176	134	103	72	42	11	0
3,560	3,600	367	321	275	229	182	138	107	76	46	15	0
3,600	3,640	373	327	281	235	188	142	111	80	50	19	0
3,640	3,680	379	333	287	241	194	148	115	84	54	23	0
3,680	3,720	385	339	293	247	200	154	119	88	58	27	0
3,720	3,760	391	345	299	253	206	160	123	92	62	31	0
3,760	3,800	397	351	305	259	212	166	127	96	66	35	4
3,800	3,840	403	357	311	265	218	172	131	100	70	39	8
3,840	3,880	409	363	317	271	224	178	135	104	74	43	12
3,880	3,920	415	369	323	277	230	184	139	108	78	47	16
3,920	3,960	421	375	329	283	236	190	144	112	82	51	20
3,960	4,000	427	381	335	289	242	196	150	116	86	55	24
4,000	4,040	433	387	341	295	248	202	156	120	90	59	28
4,040	4,080	439	393	347	301	254	208	162	124	94	63	32
4,080	4,120	445	399	353	307	260	214	168	128	98	67	36
4,120	4,160	451	405	359	313	266	220	174	132	102	71	40
4,160	4,200	457	411	365	319	272	226	180	136	106	75	44
4,200	4,240	463	417	371	325	278	232	186	140	110	79	48
4,240	4,280	469	423	377	331	284	238	192	146	114	83	52
4,280	4,320	475	429	383	337	290	244	198	152	118	87	56
4,320	4,360	481	435	389	343	296	250	204	158	122	91	60
4,360	4,400	487	441	395	349	302	256	210	164	126	95	64
4,400	4,440	493	447	401	355	308	262	216	170	130	99	68
4,440	4,480	499	453	407	361	314	268	222	176	134	103	72
4,480	4,520	505	459	413	367	320	274	228	182	138	107	76
4,520	4,560	511	465	419	373	326	280	234	188	142	111	80
4,560	4,600	517	471	425	379	332	286	240	194	147	115	84
4,600	4,640	523	477	431	385	338	292	246	200	153	119	88
4,640	4,680	529	483	437	391	344	298	252	206	159	123	92
4,680	4,720	535	489	443	397	350	304	258	212	165	127	96
4,720	4,760	541	495	449	403	356	310	264	218	171	131	100
4,760	4,800	547	501	455	409	362	316	270	224	177	135	104
4,800	4,840	553	507	461	415	368	322	276	230	183	139	108
4,840	4,880	559	513	467	421	374	328	282	236	189	143	112
4,880	4,920	565	519	473	427	380	334	288	242	195	149	116
4,920	4,960	571	525	479	433	386	340	294	248	201	155	120
4,960	5,000	577	531	485	439	392	346	300	254	207	161	124
5,000	5,040	583	537	491	445	398	352	306	260	213	167	128
5,040	5,080	589	543	497	451	404	358	312	266	219	173	132
5,080	5,120	595	549	503	457	410	364	318	272	225	179	136
5,120	5,160	601	555	509	463	416	370	324	278	231	185	140
5,160	5,200	607	561	515	469	422	376	330	284	237	191	145
5,200	5,240	613	567	521	475	428	382	336	290	243	197	151
5,240	5,280	619	573	527	481	434	388	342	296	249	203	157
5,280	5,320	625	579	533	487	440	394	348	302	255	209	163
5,320	5,360	631	585	539	493	446	400	354	308	261	215	169
5,360	5,400	637	591	545	499	452	406	360	314	267	221	175
5,400	5,440	643	597	551	505	458	412	366	320	273	227	181
5,440	5,480	649	603	557	511	464	418	372	326	279	233	187
5,480	5,520	655	609	563	517	470	424	378	332	285	239	193
5,520	5,560	661	615	569	523	476	430	384	338	291	245	199
5,560	5,600	667	621	575	529	482	436	390	344	297	251	205
5,600	5,640	673	627	581	535	488	442	396	350	303	257	211
5,640	5,680	679	633	587	541	494	448	402	356	309	263	217
5,680	5,720	685	639	593	547	500	454	408	362	315	269	223
5,720	5,760	691	645	599	553	506	460	414	368	321	275	229
5,760	5,800	697	651	605	559	512	466	420	374	327	281	235
5,800	5,840	703	657	611	565	518	472	426	380	333	287	241
5,840	5,880	709	663	617	571	524	478	432	386	339	293	247

\$5,880 and over

Use Table 4(b) for a **MARRIED person** on page 36. Also see the instructions on page 35.

SINGLE Persons—DAILY Payroll Period

(For Wages Paid through December 2011)

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	\$12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	15	1	0	0	0	0	0	0	0	0	0	0
15	18	1	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	2	0	0	0	0	0	0	0	0	0	0
27	30	2	1	0	0	0	0	0	0	0	0	0
30	33	2	1	0	0	0	0	0	0	0	0	0
33	36	3	1	0	0	0	0	0	0	0	0	0
36	39	3	2	0	0	0	0	0	0	0	0	0
39	42	3	2	0	0	0	0	0	0	0	0	0
42	45	4	2	1	0	0	0	0	0	0	0	0
45	48	4	2	1	0	0	0	0	0	0	0	0
48	51	5	3	1	0	0	0	0	0	0	0	0
51	54	5	3	2	0	0	0	0	0	0	0	0
54	57	5	3	2	0	0	0	0	0	0	0	0
57	60	6	4	2	1	0	0	0	0	0	0	0
60	63	6	4	2	1	0	0	0	0	0	0	0
63	66	7	5	3	1	0	0	0	0	0	0	0
66	69	7	5	3	2	0	0	0	0	0	0	0
69	72	8	6	3	2	1	0	0	0	0	0	0
72	75	8	6	4	2	1	0	0	0	0	0	0
75	78	9	6	4	3	1	0	0	0	0	0	0
78	81	9	7	5	3	1	0	0	0	0	0	0
81	84	10	7	5	3	2	0	0	0	0	0	0
84	87	10	8	6	4	2	1	0	0	0	0	0
87	90	10	8	6	4	2	1	0	0	0	0	0
90	93	11	9	7	4	3	1	0	0	0	0	0
93	96	11	9	7	5	3	2	0	0	0	0	0
96	99	12	10	8	5	3	2	0	0	0	0	0
99	102	12	10	8	6	4	2	1	0	0	0	0
102	105	13	11	8	6	4	2	1	0	0	0	0
105	108	13	11	9	7	5	3	1	0	0	0	0
108	111	14	11	9	7	5	3	2	0	0	0	0
111	114	14	12	10	8	5	3	2	0	0	0	0
114	117	14	12	10	8	6	4	2	1	0	0	0
117	120	15	13	11	9	6	4	3	1	0	0	0
120	123	15	13	11	9	7	5	3	1	0	0	0
123	126	16	14	12	9	7	5	3	2	0	0	0
126	129	16	14	12	10	8	6	3	2	1	0	0
129	132	17	15	12	10	8	6	4	2	1	0	0
132	135	17	15	13	11	9	7	4	3	1	0	0
135	138	18	15	13	11	9	7	5	3	1	0	0
138	141	18	16	14	12	10	7	5	3	2	0	0
141	144	19	16	14	12	10	8	6	4	2	1	0
144	147	19	17	15	13	10	8	6	4	2	1	0
147	150	20	17	15	13	11	9	7	4	3	1	0
150	153	21	18	16	13	11	9	7	5	3	2	0
153	156	22	18	16	14	12	10	8	5	3	2	0
156	159	22	19	17	14	12	10	8	6	4	2	1
159	162	23	20	17	15	13	11	8	6	4	2	1
162	165	24	20	17	15	13	11	9	7	5	3	1
165	168	25	21	18	16	14	11	9	7	5	3	2
168	171	25	22	18	16	14	12	10	8	6	3	2
171	174	26	23	19	17	14	12	10	8	6	4	2
174	177	27	23	20	17	15	13	11	9	6	4	3
177	180	28	24	21	18	15	13	11	9	7	5	3
180	183	28	25	21	18	16	14	12	9	7	5	3
183	186	29	26	22	19	16	14	12	10	8	6	3
186	189	30	26	23	19	17	15	12	10	8	6	4
189	192	31	27	24	20	17	15	13	11	9	7	4
192	195	31	28	24	21	18	16	13	11	9	7	5
195	198	32	29	25	22	18	16	14	12	10	7	5
198	201	33	29	26	22	19	16	14	12	10	8	6
201	204	34	30	27	23	19	17	15	13	10	8	6
204	207	34	31	27	24	20	17	15	13	11	9	7
207	210	35	32	28	25	21	18	16	13	11	9	7
210	213	36	32	29	25	22	18	16	14	12	10	8
213	216	37	33	30	26	22	19	17	14	12	10	8
216	219	37	34	30	27	23	20	17	15	13	11	8
219	222	38	35	31	28	24	20	17	15	13	11	9

SINGLE Persons—DAILY Payroll Period

(For Wages Paid through December 2011)

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—										
\$222	\$225	\$39	\$35	\$32	\$28	\$25	\$21	\$18	\$16	\$14	\$11	\$9
225	228	40	36	33	29	25	22	18	16	14	12	10
228	231	40	37	33	30	26	23	19	17	15	12	10
231	234	41	38	34	31	27	23	20	17	15	13	11
234	237	42	38	35	31	28	24	21	18	15	13	11
237	240	43	39	36	32	28	25	21	18	16	14	12
240	243	43	40	36	33	29	26	22	19	16	14	12
243	246	44	41	37	34	30	26	23	19	17	15	12
246	249	45	41	38	34	31	27	24	20	17	15	13
249	252	46	42	39	35	31	28	24	21	18	16	13
252	255	46	43	39	36	32	29	25	22	18	16	14
255	258	47	44	40	37	33	29	26	22	19	16	14
258	261	48	44	41	37	34	30	27	23	19	17	15
261	264	49	45	42	38	34	31	27	24	20	17	15
264	267	49	46	42	39	35	32	28	25	21	18	16
267	270	50	47	43	40	36	32	29	25	22	18	16
270	273	51	47	44	40	37	33	30	26	22	19	17
273	276	52	48	45	41	37	34	30	27	23	20	17
276	279	52	49	45	42	38	35	31	28	24	20	17
279	282	53	50	46	43	39	35	32	28	25	21	18
282	285	54	50	47	43	40	36	33	29	25	22	18
285	288	55	51	48	44	40	37	33	30	26	23	19
288	291	55	52	48	45	41	38	34	31	27	23	20
291	294	56	53	49	46	42	38	35	31	28	24	21
294	297	57	53	50	46	43	39	36	32	28	25	21
297	300	58	54	51	47	43	40	36	33	29	26	22
300	303	58	55	51	48	44	41	37	34	30	26	23
303	306	59	56	52	49	45	41	38	34	31	27	24
306	309	60	56	53	49	46	42	39	35	31	28	24
309	312	61	57	54	50	46	43	39	36	32	29	25
312	315	61	58	54	51	47	44	40	37	33	29	26
315	318	62	59	55	52	48	44	41	37	34	30	27
318	321	63	59	56	52	49	45	42	38	34	31	27
321	324	64	60	57	53	49	46	42	39	35	32	28
324	327	64	61	57	54	50	47	43	40	36	32	29
327	330	65	62	58	55	51	47	44	40	37	33	30
330	333	66	62	59	55	52	48	45	41	37	34	30
333	336	67	63	60	56	52	49	45	42	38	35	31
336	339	68	64	60	57	53	50	46	43	39	35	32
339	341	68	65	61	57	54	50	47	43	40	36	33
341	343	69	65	61	58	54	51	47	44	40	37	33
343	345	70	66	62	58	55	51	48	44	41	37	34
345	347	70	66	62	59	55	52	48	45	41	38	34
347	349	71	67	63	59	56	52	49	45	42	38	35
349	351	71	67	63	60	56	53	49	46	42	39	35
351	353	72	68	64	60	57	53	50	46	43	39	36
353	355	72	68	64	61	57	54	50	47	43	40	36
355	357	73	69	65	61	58	54	51	47	44	40	37
357	359	73	69	65	62	58	55	51	48	44	41	37
359	361	74	70	66	62	59	55	52	48	45	41	38
361	363	75	71	67	63	59	56	52	49	45	42	38
363	365	75	71	67	63	60	56	53	49	46	42	39
365	367	76	72	68	64	60	57	53	50	46	43	39
367	369	76	72	68	64	61	57	54	50	47	43	40
369	371	77	73	69	65	61	58	54	51	47	44	40
371	373	77	73	69	65	62	58	55	51	48	44	41
373	375	78	74	70	66	62	59	55	52	48	45	41
375	377	78	74	70	67	63	59	56	52	49	45	42
377	379	79	75	71	67	63	60	56	53	49	46	42
379	381	80	76	72	68	64	60	57	53	50	46	43
381	383	80	76	72	68	64	61	57	54	50	47	43
383	385	81	77	73	69	65	61	58	54	51	47	44
385	387	81	77	73	69	65	62	58	55	51	48	44
387	389	82	78	74	70	66	62	59	55	52	48	45
389	391	82	78	74	70	66	63	59	56	52	49	45

\$391 and over

Use Table 8(a) for a **SINGLE person** on page 37. Also see the instructions on page 35.

MARRIED Persons—DAILY Payroll Period

(For Wages Paid through December 2011)

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	\$36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	39	1	0	0	0	0	0	0	0	0	0	0
39	42	1	0	0	0	0	0	0	0	0	0	0
42	45	1	0	0	0	0	0	0	0	0	0	0
45	48	2	0	0	0	0	0	0	0	0	0	0
48	51	2	0	0	0	0	0	0	0	0	0	0
51	54	2	1	0	0	0	0	0	0	0	0	0
54	57	3	1	0	0	0	0	0	0	0	0	0
57	60	3	1	0	0	0	0	0	0	0	0	0
60	63	3	2	0	0	0	0	0	0	0	0	0
63	66	3	2	1	0	0	0	0	0	0	0	0
66	69	4	2	1	0	0	0	0	0	0	0	0
69	72	4	3	1	0	0	0	0	0	0	0	0
72	75	4	3	1	0	0	0	0	0	0	0	0
75	78	5	3	2	0	0	0	0	0	0	0	0
78	81	5	3	2	1	0	0	0	0	0	0	0
81	84	5	4	2	1	0	0	0	0	0	0	0
84	87	6	4	3	1	0	0	0	0	0	0	0
87	90	6	4	3	2	0	0	0	0	0	0	0
90	93	6	5	3	2	0	0	0	0	0	0	0
93	96	6	5	4	2	1	0	0	0	0	0	0
96	99	7	5	4	2	1	0	0	0	0	0	0
99	102	7	6	4	3	1	0	0	0	0	0	0
102	105	8	6	4	3	2	0	0	0	0	0	0
105	108	8	6	5	3	2	0	0	0	0	0	0
108	111	9	6	5	4	2	1	0	0	0	0	0
111	114	9	7	5	4	3	1	0	0	0	0	0
114	117	9	7	6	4	3	1	0	0	0	0	0
117	120	10	8	6	5	3	2	0	0	0	0	0
120	123	10	8	6	5	3	2	1	0	0	0	0
123	126	11	9	7	5	4	2	1	0	0	0	0
126	129	11	9	7	5	4	3	1	0	0	0	0
129	132	12	10	7	6	4	3	1	0	0	0	0
132	135	12	10	8	6	5	3	2	0	0	0	0
135	138	13	11	8	6	5	3	2	1	0	0	0
138	141	13	11	9	7	5	4	2	1	0	0	0
141	144	14	11	9	7	6	4	3	1	0	0	0
144	147	14	12	10	8	6	4	3	2	0	0	0
147	150	14	12	10	8	6	5	3	2	0	0	0
150	153	15	13	11	8	6	5	4	2	1	0	0
153	156	15	13	11	9	7	5	4	2	1	0	0
156	159	16	14	12	9	7	6	4	3	1	0	0
159	162	16	14	12	10	8	6	4	3	2	0	0
162	165	17	15	12	10	8	6	5	3	2	1	0
165	168	17	15	13	11	9	6	5	4	2	1	0
168	171	18	15	13	11	9	7	5	4	3	1	0
171	174	18	16	14	12	10	7	6	4	3	1	0
174	177	18	16	14	12	10	8	6	5	3	2	0
177	180	19	17	15	13	10	8	6	5	3	2	1
180	183	19	17	15	13	11	9	7	5	4	2	1
183	186	20	18	16	13	11	9	7	5	4	3	1
186	189	20	18	16	14	12	10	7	6	4	3	1
189	192	21	19	16	14	12	10	8	6	5	3	2
192	195	21	19	17	15	13	11	8	6	5	4	2
195	198	22	20	17	15	13	11	9	7	5	4	2
198	201	22	20	18	16	14	11	9	7	6	4	3
201	204	23	20	18	16	14	12	10	8	6	4	3
204	207	23	21	19	17	14	12	10	8	6	5	3
207	210	23	21	19	17	15	13	11	9	6	5	4
210	213	24	22	20	17	15	13	11	9	7	5	4
213	216	24	22	20	18	16	14	12	9	7	6	4
216	219	25	23	21	18	16	14	12	10	8	6	4
219	222	25	23	21	19	17	15	12	10	8	6	5
222	225	26	24	21	19	17	15	13	11	9	7	5
225	228	26	24	22	20	18	15	13	11	9	7	5
228	231	27	24	22	20	18	16	14	12	10	7	6
231	234	27	25	23	21	19	16	14	12	10	8	6
234	237	27	25	23	21	19	17	15	13	10	8	6
237	240	28	26	24	22	19	17	15	13	11	9	7
240	243	28	26	24	22	20	18	16	13	11	9	7
243	246	29	27	25	22	20	18	16	14	12	10	8

MARRIED Persons—DAILY Payroll Period

(For Wages Paid through December 2011)

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—										
\$246	\$249	\$29	\$27	\$25	\$23	\$21	\$19	\$16	\$14	\$12	\$10	\$8
249	252	30	28	25	23	21	19	17	15	13	11	8
252	255	30	28	26	24	22	20	17	15	13	11	9
255	258	31	29	26	24	22	20	18	16	14	11	9
258	261	31	29	27	25	23	20	18	16	14	12	10
261	264	32	29	27	25	23	21	19	17	14	12	10
264	267	32	30	28	26	23	21	19	17	15	13	11
267	270	32	30	28	26	24	22	20	18	15	13	11
270	273	33	31	29	26	24	22	20	18	16	14	12
273	276	33	31	29	27	25	23	21	18	16	14	12
276	279	34	32	30	27	25	23	21	19	17	15	12
279	282	34	32	30	28	26	24	21	19	17	15	13
282	285	35	33	30	28	26	24	22	20	18	15	13
285	288	35	33	31	29	27	24	22	20	18	16	14
288	291	36	33	31	29	27	25	23	21	19	16	14
291	294	36	34	32	30	28	25	23	21	19	17	15
294	297	36	34	32	30	28	26	24	22	19	17	15
297	300	37	35	33	31	28	26	24	22	20	18	16
300	303	38	35	33	31	29	27	25	22	20	18	16
303	306	39	36	34	31	29	27	25	23	21	19	17
306	309	39	36	34	32	30	28	25	23	21	19	17
309	312	40	37	34	32	30	28	26	24	22	20	17
312	315	41	37	35	33	31	29	26	24	22	20	18
315	318	42	38	35	33	31	29	27	25	23	20	18
318	321	42	39	36	34	32	29	27	25	23	21	19
321	324	43	40	36	34	32	30	28	26	23	21	19
324	327	44	40	37	35	32	30	28	26	24	22	20
327	330	45	41	38	35	33	31	29	27	24	22	20
330	333	45	42	38	35	33	31	29	27	25	23	21
333	336	46	43	39	36	34	32	30	27	25	23	21
336	339	47	43	40	36	34	32	30	28	26	24	21
339	341	48	44	40	37	35	33	30	28	26	24	22
341	343	48	45	41	37	35	33	31	29	26	24	22
343	345	49	45	41	38	35	33	31	29	27	25	22
345	347	49	46	42	38	36	33	31	29	27	25	23
347	349	50	46	42	39	36	34	32	29	27	25	23
349	351	50	47	43	39	36	34	32	30	28	25	23
351	353	51	47	43	40	36	34	32	30	28	26	24
353	355	51	48	44	40	37	35	32	30	28	26	24
355	357	52	48	44	41	37	35	33	31	28	26	24
357	359	52	49	45	41	38	35	33	31	29	27	25
359	361	53	49	45	42	38	36	33	31	29	27	25
361	363	53	50	46	42	39	36	34	32	29	27	25
363	365	54	50	46	43	39	36	34	32	30	28	25
365	367	54	51	47	43	40	36	34	32	30	28	26
367	369	55	51	47	44	40	37	35	32	30	28	26
369	371	55	52	48	44	41	37	35	33	31	28	26
371	373	56	52	48	45	41	38	35	33	31	29	27
373	375	56	53	49	45	42	38	35	33	31	29	27
375	377	57	53	49	46	42	39	36	34	31	29	27
377	379	57	54	50	46	43	39	36	34	32	30	28
379	381	58	54	50	47	43	40	36	34	32	30	28
381	383	58	55	51	47	44	40	37	35	32	30	28
383	385	59	55	51	48	44	41	37	35	33	31	28
385	387	59	56	52	48	45	41	38	35	33	31	29
387	389	60	56	52	49	45	42	38	35	33	31	29
389	391	60	57	53	49	46	42	39	36	34	31	29
391	393	61	57	53	50	46	43	39	36	34	32	30
393	395	61	58	54	50	47	43	40	36	34	32	30
395	397	62	58	54	51	47	44	40	37	34	32	30
397	399	62	59	55	51	48	44	41	37	35	33	31
399	401	63	59	55	52	48	45	41	38	35	33	31

\$401 and over

Use Table 8(b) for a **MARRIED person** on page 37. Also see the instructions on page 35.



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