



## Payroll Tip for October:

### Time to reevaluate your withholding?

Despite all the worrying and bellyaching we do about high taxes—and all the planning and conniving we do to minimize what we owe—the vast majority of us let the government dip deeper into our pockets during the year than we have to.

The incontrovertible evidence? The tens of millions of tax-refund checks the U.S. Treasury mails out each spring are proof-positive that employees routinely have too much withheld from their paychecks. During 2008, the IRS issued refunds to about 100 million Americans. That means three out of four returns filed for 2007 called for money back. All told, the government sent around \$220 billion to taxpayers. The average refund: close to \$2,400.

### What's wrong with this picture?

Yes, we love our springtime refunds. In fact, it's clear that many of us are addicted to them. But there is a better way: Use a Form W-4 to adjust your withholding at work to more closely match what you'll owe the government.

The form basically tells USF how much of your salary NOT to tax during the year because the IRS won't get to tax it at tax time, thanks to exemptions, deductions, tax credits and other perfectly legal ways to hold down your tax tab.

### Form W-4

The amount withheld from your pay is determined by two things: how much you make and the information you provide USF on the Form W-4, Employee's Withholding Allowance Certificate.

USF knows how much you're being paid; the form shows whether you're married or single and how many withholding allowances you want to claim. The more allowances, the less tax withheld.

You get a W-4 when you started with USF and probably never thought about it after that. It's wise, however, to review your withholding allowances at least every couple of years. The tip-off that something is amiss happens when you get a big tax refund (over \$1,000), or owe a healthy amount (more than 10 percent of your total tax bill) when you file. It's also important to review if there's a big change in your life, like getting married (or divorced), having children or buying a new home.

**Click on the following link for step-by-step instructions on how to review your**

**Form W-4: <http://www.youtube.com/watch?v=1dcDbhIRx8w>**

