

Paycheck Checkup

using the IRS
Tax Withholding
Estimator



Since you pay taxes on the income you earn or receive throughout the year, using the IRS Tax Withholding Estimator tool will help you avoid tax-time surprises, especially if you have changes in your situation.

Many factors affect the tax you owe, so if your life situation changes, it's helpful to check your withholding so you can adjust it if needed. Too little federal income tax withheld can lead to owing taxes or a penalty when filing your return. Too much tax withheld means you may receive a refund at tax time.

Check your withholding every year, but especially when you have major life changes, such as:

How to do a Paycheck Checkup

Family changes

- › Change in marital status
- › Birth or adoption
- › Change in number of dependents (child or other qualifying relative)

New deductions or credits

- › New home with mortgage interest
- › New college student who qualifies for higher education credits

Income or job changes

- › Major change in income
- › Change in job or loss of job
- › Receiving unemployment compensation
- › First job or multiple jobs
- › Side gig work
- › Retirement

Gather your documents

- › Most recent pay stubs for all jobs, including spouse's job
- › Most recent income tax return
- › Other income info for side jobs, self-employment, investments, etc.

Visit [IRS.gov](https://www.irs.gov) to estimate your tax & withholding

- › Use the [Tax Withholding Estimator](#) to help see how your current withholding affects your refund, take-home pay or tax due. The Estimator can help you determine how to complete Form W-4 so you don't have too much or too little federal income tax withheld.

Take action

- › If the tool suggests you need to adjust your withholding, you can:
 - › Complete a new [Form W-4](#) using the tool's suggestions and submit it to your employer.
 - › Make an [estimated payment](#) or decrease/increase your upcoming estimated tax payments to the IRS.