W-4 Guide for Students

Neither Internship & Career Services (ICS) nor the Butler HR Department are able to tell you exactly how to complete this document. Please seek advice from a parent/guardian or tax advisor. More information may be found at the [IRS website](https://www.irs.gov).

What is a W-4 Form?

A W-4 form gives YOU permission to control the amount of federal taxes you want withdrawn from your paycheck each pay period. It is a bit like a “pay-your federal-taxes-as-you-go” model. Usually the more money you withhold, the more money you get back from the government. The less money you withhold, the bigger each paycheck will be, but the more likely you are to owe money to the government at the end of the tax year. You can adjust the amount withdrawn at any time during your employment by submitting a new W-4 form to your employer.

What is “withholding”?

Any time you earn money, you must pay taxes on it. Your W-4 determines how much tax you pay by controlling the amount of taxes withheld. A withholding is the amount of money taken out of your paycheck and given to the government. You want to take out enough so you don’t owe the government any more money at the end of the year, but not so much that you are overpaying your taxes. (If you overpay, don’t worry, you will receive a refund when you file taxes).

You have two choices for your W-4:

1. **You can choose to have taxes taken out.** The amount of taxes taken out is decided by the total number of allowance you claim on line five. By placing a “0” on line 5, you are indicating that you want the most amount of tax taken out of your pay each pay period *(See Example 1)*. If you wish to claim “1” on line 5 for yourself instead, then less tax is taken out of your pay each pay period. The higher the number of allowance, the less tax taken out of your pay each pay period *(See Example 2)*.

2. **You can choose to have no taxes taken out of your tax and claim Exemption** *(see Example 3)*. If you are a Federal Work Study student employee, please note this does not automatically make you exempt from taxes. The top of the W-4 does state: This includes all earnings combined for the tax year. If your income exceeds $1000 you could end up paying taxes at the end of the tax year. Please contact a tax advisor for more information. If you choose exemption you will be asked to complete another W-4 at the end of the year because it expires.

Filling out your W-4

The address you write on your W-4 is the address that will be entered into the Butler HR payroll system. This should be either your campus address, or permanent home address. Please note that if you put your out-of-state home address other taxes may apply. Again, contact a parent/guardian or an accountant for further advisement regarding this issue.

You can change your W-4 at any time during the year. Contact Butler HR to make revisions.
Example 1

Line 5 indicates 0 allowance. This means you want the most amount of tax taken out of your pay each pay period.

Example 2

Line 5 indicates 1 allowance. This means a certain percent of tax will be taken out of each pay period.

Example 3
ICS staff reviews all W-4 forms to ensure they are complete and valid as described by the IRS. Prior to sending to ICS, please review your W-4 form for accuracy. Or ICS staff will help you complete the paperwork in the office if you have questions.

Lastly, W-4 forms are determined invalid if it has been:

- Altered in any way
- Is incomplete
- Is completed incorrectly or
- If the employee indicates verbally, when submitting, that the form contains false information.

All invalid W-4 forms will be rejected and a new form required before any changes will be made to the employee’s record.

The below line items on W-4 forms are required fields:

1 – Employee’s name and address
2 – Social Security Number
3 – Marital Status (for withholding purposes)
5 – Total number of allowances (leave line 7 blank) OR
7 – “Exempt” (leave line 5 blank)
Employee’s signature and date are also required.

For more information regarding how much taxes will be withheld, please see the Employer’s Tax Guide on the IRS Website.