



## 3.1 Preparation of Employee's Withholding Allowance Certificate (W-4)

### Policy Statement

The University of Georgia complies with Internal Revenue Service (IRS) requirements to withhold federal tax from employee pay checks. Each employee must submit an Employee's Withholding Allowance Certificate (Form W-4) to be used to determine the amount of federal tax to be withheld.

### Reason for policy

The University of Georgia must comply with IRS requirements to withhold federal tax from employee pay checks

### Procedures

Except for those certificates on which "exemption from withholding" (defined below in "Definitions") is claimed, a Withholding Allowance Certificate remains in effect until such time as it is revised by the employee or by specific IRS instruction (IRS "Lock letter"). Certificates on which "exemption from withholding" is claimed expire on February 15 of the following year and must be renewed in order for an employee to continue with the exempt status. An employee who fails to provide a withholding allowance certificate to the Payroll Department will have tax deducted as a single individual claiming no withholding allowances, in accordance with IRS guidelines.

### Forms/Instructions

[Form W-4](#)

### Additional contacts

[Ginger Ayers](#)

**Phone Number:** 706-542-6934

### Policy definitions

**Exemption from Withholding:** No withholding is required from an employee if the employee anticipates that he/she will incur no federal income tax liability for the current taxable year and he/she incurred no such liability during the preceding taxable year. The exemption must be claimed on line 7 of Form W-4 (Employee's Withholding Allowance Certificate) and must be renewed annually.

If another person can claim the employee as a dependent on his or her tax return, the employee cannot claim exemption from withholding if his/her income exceeds \$950 and includes more than \$300 of unearned income (for example, interest and dividends).

Student status does not automatically exempt an employee from federal income tax withholding. Additional detailed instructions are found on the Form W-4.

### Responsibilities

**Responsible University Senior Administrator:** Vice President for Finance & Administration

**Responsible University Administrator:** Associate Vice President for Finance Division

**Policy Owner:** [Payroll](#)

**Policy Contact:** Julie Camp

**Phone Number:** 706-542-3431

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## Record Retention

**Explanation:** This series documents amounts withheld by Payroll from employees' checks for taxing authorities. This series may include but is not limited to: the Statement for Claiming Benefits Provided by Section 911 of the Internal Revenue Code; Withholding Allowance Certificates (W-4s); Earned Income Credit Advance Payment Certificates (W-5s); Non-resident Alien Request for Exemption from Tax Withholding (IRS Form 8233); Alien Information Request Form; and Request for Exemption from State Income Tax Withholding. Individual forms may include employees' names, addresses, social security numbers, and tax identification numbers.

(Board of Regents: Tax Withholding Authorization Records [0472-04-037](#))

**Record Copy:** The Payroll Department must maintain a copy of Form W-4.

**Retention:** 4 years

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## FAQs

**I have changed departments. Do I need to complete new forms (W-4, direct deposit, etc.)?**

No, you do not need to submit a new W-4 or direct deposit form in the event that you change positions and work for a different department.

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## Related information

Preparation of Georgia's Form G-4 (policy 2.3)

[< Employee Tax Withholding](#) | [Submission of Federal Withholding Taxes and OASDI and FICA/Medicare Taxes](#) >

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## Policy Dates

Effective Date:

Date Last Updated: 01/06/2017

Date of Last Review:

Date of Approval:

Previous Version of Policy: