

Double Check Your Paycheck

WHY REVIEW YOUR PAY STUBS?

Errors happen.

It's estimated that 1 in 3 employers make a paycheck mistake. Reasons could be human error, data entry typo, miscommunication, or changing providers/systems.

Early correction.

If you check your pay stub regularly, you can quickly notice and rectify any inaccuracies before the error goes on for too long.

Proof of income.

Buying a house? Renting an apartment? Applying for a loan? Your paystubs are often requested as proof of income and even documentation for your tax return. You want it to be accurate!



Common paycheck mistakes may include:

- Under or overpayment
- Incorrect wage rate or hours worked
- Typo or outdated demographic details
- Tax miscalculation
- Missing/inaccurate benefit deductions
- Wrong retirement plan contribution(s)
- PTO errors

Withholding error?

If your paycheck matches up to your Form W4 elections, it is **not** a payroll error. It is **your** responsibility to review your withholding information.

WHEN TO REVIEW YOUR WITHHOLDING

1 Was your tax refund or balance due what you expected?

Too low of a refund? Too high of a bill? Avoid unpleasant surprises at tax time by adjusting your withholdings.

3 Do you need to make estimated tax payments?

Avoid an under-withholding penalty. Your current withholding may not be sufficient to cover your tax liability.



2 Did you experience a major life event in the past year?

Tax triggers include marriage, divorce, inheritance, a promotion, second job, side hustle(s), new baby, and more.

4 Do you want to prioritize funding a retirement plan?

While not a Form W4 item, it does come out of your paycheck. Small, consistent contributions add up!

HOW TO UPDATE FORM W4



IRS.gov Withholding Estimator



Abacus Payroll's W4 Assistant Calculator



Consult with your CPA



Give new completed form to HR or payroll administrator

DON'T SET IT AND FORGET IT

Make it a point to continuously check in on your pay stubs, review your Form W4 at the start of each year, after any tax season surprises, and following any major life events.

