Federal Tax Election

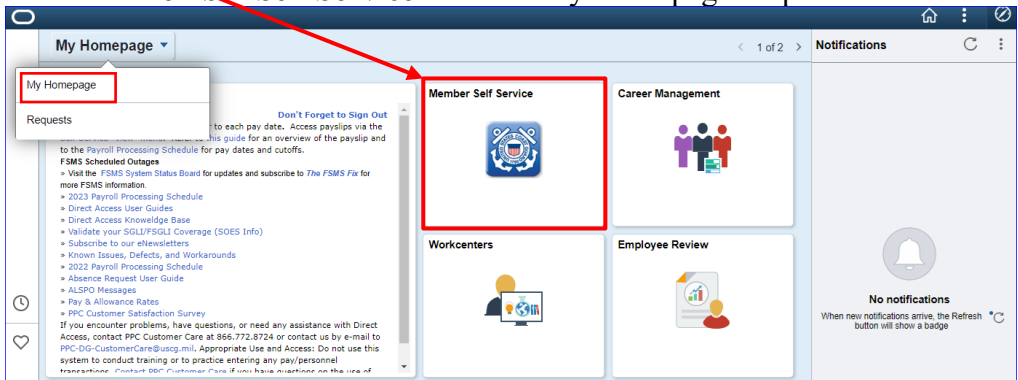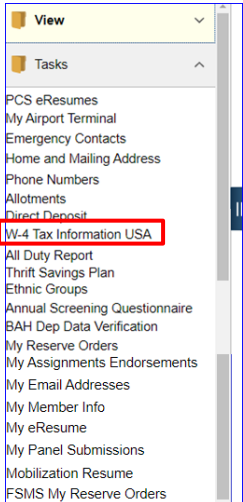|	
Introduction	This guide provides the procedures for a member to change their Federal Tax election in Direct Access (DA).

Information	• Please see the IRS's Frequently Asked Questions (FAQ) for additional information: https://www.irs.gov/newsroom/faqs-on-the-2020-form-w-4. • Members, who meet the conditions for an exemption from FITW, must submit a signed IRS form W-4 to the their SPO, per IRS requirements. **Members claiming exemption from federal withholding must file a new IRS Form W-4 each year by 15 February.** • See State Tax Withholding Exceptions (rule 4) for special rules if you are a resident of Puerto Rico (PR).

Procedures	See below.

Step	Action
1	Click on **Member Self Service** from the My Homepage drop-down.
1.5	Select the **W-4 Tax Information USA** option.

Federal Tax Election, Continued

Procedures,
continued

Step	Action
2	The W-4 Employee's Withholding Certificate page will display. There are **5 steps** that require review/completion before changes may be submitted. **Step 1: Personal Information** – • Ensure the **Mailing Address** is correct. If not, see the Home and Mailing Addresses user guide to update the mailing address. • Select the appropriate **Filing Status**. **W-4 Employee's Withholding Certificate** Dwight K. Shrute UNITED STATES COAST GUARD Social Security Number 123-45-6789 Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Your withholding is subject to review by the IRS. Official Form W-4 **Step 1: Personal Information** **Mailing Address** 1725 Slough Ave Scranton, PA 18503 **Does your name match the name on your social security card?** If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov **Filing Status** ⦿ Single or Married filing separately ○ Married filing jointly (or Qualifying widow(er)) ○ Head of household (Select only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualified individual)

Federal Tax Election, Continued

Procedures, continued

Step	Action
3	**Step 2: Multiple Jobs or Spouse Works** – Check the box as appropriate. **NOTE:** Check this box if you (1) have more than one job at the same time **and/or** (2) are married, filing jointly and you and your spouse both work. Step 2: Multiple Jobs or Spouse Works ▸Step 2 Instructions ☑ Multiple Jobs or Spouse Works
4	**Step 3: Claim Dependents** – • Multiply the number of **qualifying dependents under the age of 17** by $2,000 and enter the dollar amount (whole number only with no decimal, i.e. 2000, 4000, etc.). • Multiply the number of **other qualifying dependents** by $500 and enter the dollar amount (whole number only with no decimal, i.e. 500, 1000, etc.). • Enter any **Other tax credits**, such as education tax credits and foreign tax credit (whole number only with no decimal). **NOTE:** For more information on eligibility requirements for tax credits, see Child Tax Credit and Credit for Other Dependents. Step 3: Claim Dependents ▸Step 3 Instructions If your income will be $200,000 or less ($400,000 or less if married filing jointly): Multiply the number of qualifying children under age 17 by $2,000 Multiply the number of other dependents by $500 Other tax credits Total

Federal Tax Election, Continued

Procedures,
continued

Step	Action
5	**Step 4: Other Adjustments** – • **(a) Other Income (NOT FROM OTHER JOBS)** – this should be the total of your other estimated income for the year, if any (whole number only with no decimal). **See NOTE.** • **(b) Deductions** – if you expect to claim deductions other than the basic standard deduction and want to reduce your tax withholding to account for these, enter the amount here (Page 3, Line 5 of 2020 W-4). • **(c) Extra Withholding** – Enter in this step any additional tax you want withheld from your pay **each pay period**. **NOTE:** Do **NOT** enter income from other jobs where that income is already taxed. For more information on taxable income and extra withholdings, see IRS Pub. 505: Tax Withholding and Estimated Tax guide. **Step 4: Other Adjustments** ▸Step 4 Instructions a) Other Income [ ] b) Deductions [ ] c) Extra Withholding [ ]
6	**Step 5: Exemption from Withholding** – Ensure all the information entered is correct and click **Submit**. **WARNING:** If the Check if you meet both conditions and are claiming Exemption from Withholding box is checked, **NO FEDERAL TAXES WILL BE WITHHELD**. You **must** meet the Exemption Conditions. **Step 5: Exemption from Withholding** You may claim exemption from withholding for [2020] if you meet both of the following conditions: **Exemption Conditions** • Last year I had no federal income tax liability and • This year I expect to have no federal income tax liability [ ] Check if you meet both conditions and are claiming Exemption from Withholding If claiming Exemption from Withholding complete only Steps 1 and 5. Do not complete any other steps on Form W-4 [Submit] Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete

Federal Tax Election, Continued

Procedures, continued

Step	Action
7	A verification message will display. Enter your DA **Password** and click **Continue**. Help **Verify Identity** To protect your privacy, verify your identity by typing your password. If you are not this user, click **Cancel**. User ID: 1234567 Password: [ ] Continue Cancel
8	A confirmation message will display. Click **OK**. **Submit Confirmation** ☑ The Submit was successful. However, due to timing, your change may not be reflected on the next paycheck. OK