

## Form W-2 wage earners should do a Paycheck Checkup soon

The Internal Revenue Service urges everyone who works as an employee and has income from other sources to perform a Paycheck Checkup. This includes income from [sharing economy](#) activities, interest, dividends, self-employment, capital gains, or prizes and awards.

A Paycheck Checkup can help you avoid receiving a lower refund, an unexpected tax bill or underpayment penalty when you file your tax return next year.

You can do a checkup using the IRS [Withholding Calculator](#) or [Publication 505](#), Tax Withholding and Estimated Tax. This is especially important in 2018 due to tax changes taking effect this year.

You can [pay taxes](#) throughout the year anytime.

## It's time for a Paycheck Checkup if you have dependents

The [new tax law](#) includes a Credit for Other Dependents — those who can't be claimed for the Child Tax Credit. This new credit offers up to \$500 per eligible dependent and begins phasing out at \$400,000 for joint filers and \$200,000 for other taxpayers.

This change can affect your tax situation. Doing a paycheck checkup now, using the [IRS Withholding Calculator](#), can save you from an unexpected tax bill or penalties next year.

“Other dependents” are qualifying children and relatives that you claim on your tax return, including:

- Dependent children who are age 17 or older at the end of 2018.
- A parent you support.

Don't forget to check your state withholding too.

## Have children and other dependents? Check your withholding

The [Tax Cuts and Jobs Act](#) changed the Child Tax Credit. Taxpayers should do a paycheck checkup using the [Withholding Calculator](#) to determine if changes could affect your tax situation. Notable changes include:

### Child Tax Credit

- The maximum credit increased to \$2,000 per qualifying child.
- The credit begins phasing out at \$400,000 for couples and \$200,000 for singles.

## **Additional Child Tax Credit**

- The maximum additional child tax credit increased to \$1,400.
- The ACTC is a refundable credit for taxpayers who owe little or no federal income tax.

## **Other Dependents**

- There's a new \$500 credit benefiting taxpayers who care for other dependents.
- These dependents include qualifying children or qualifying relatives, such as dependent children who are age 17 or older at the end of 2018, or parents or other qualifying relatives supported by the taxpayer.

Don't forget to check your state withholding too.

- [Tax Reform Provisions that Affect Individuals](#)
- [Steps to Take Now to Get a Jump on Next Year's Taxes](#)

## **To Change or Check Your Withholding:**

- Employees can access current withholding information through NYCAPS Employee Self Service ("ESS") and can complete and submit a new Form W-4, Employee's Withholding Allowance Certificate through ESS to make changes to one's withholding.
  - Withholding takes place throughout the year, so it's better to take this step as soon as possible.

Special Note for 2019: To help protect against having too little withheld in 2019, employees should check their withholding again early in 2019. Any changes that are made to withholding in 2018 may affect 2019.

If you have additional questions about your withholding, consult your tax advisor.