PRACTICAL W-4 GUIDE-2026

How to Complete Your Form W-4 Step by Step

Understand what each section means before submitting it to your employer.

Starting a New Job?

One of the first documents you will likely receive is the **Form W-4 — Employee's Withholding Certificate**.

This form tells your employer how to calculate the amount of **Federal Income Tax** to withhold from your paychecks.

In this guide, we explain in simple terms:

- What each section means;
- Which parts you must always complete;
- Which parts only apply in specific situations;
- Common mistakes to avoid;
- When it may be beneficial to use the official IRS withholding estimator.

IMPORTANT

This guide is educational.

Alemay Business can help you understand the form, but cannot decide which tax options you should select. Your W-4 entries must reflect your own individual tax situation.

First: W-4 and W-2 are NOT the same

W-4: You complete it.

It is used to tell your employer how to calculate Federal Income Tax withholding from your paychecks.

You normally complete it:

- when starting a new job;
- when you want to change your withholding;
- or when your personal or financial situation changes.

W-2: Your employer prepares it.

At the end of the year, it shows information such as:

- your wages;
- Federal Income Tax withheld;
- Social Security;
- Medicare;
- and other payroll-related information.

In a nutshell:

W-4 = withholding instructions

W-2 = annual summary of your wages and taxes

Do I have to complete the entire W-4?

Not necessarily. All employees should complete Step 1 (Personal Information) and Step 5 (Signature)

Steps 2, 3, and 4 are only completed when they apply to your situation.

✅ **DO THIS:** Read each step before writing an amount.

⚠️ **AVOID THIS:** Do not fill in every space simply because it is blank. A space may be blank because it does not apply to your situation.

1: Your Personal Information

Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		**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*.
	City or town, state, and ZIP code		
	(c) ☐ **Single** or **Married filing separately** ☐ **Married filing jointly** or **Qualifying surviving spouse** ☐ **Head of household** (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

(a) Name and Address: Enter your legal information:

First name and middle initial: Your first name and middle initial, if applicable.

Last name: Enter your legal last name

Address: Your current address.

City or town, state, and ZIP code: City, state, and ZIP code.

✅ CHECK

Make sure your name is spelled correctly and matches your official identification documents.

(b) Social Security Number: Enter your Social Security Number (SSN) correctly. Double-check it before submitting the form.

⚠️ IMPORTANT

An incorrect SSN can lead to issues with wage records reported under your name.

(c) Filing Status

You must select **only one option**:

- ☐ Single or Married filing separately
- ☐ Married filing jointly or Qualifying surviving spouse
- ☐ Head of household

Your choice affects the withholding tables used to calculate your Federal Income Tax withholding.

⚠️ DO NOT CHOOSE BASED ONLY ON:

"Which one withholds less?" The selection must match the **filing status you expect to use on your tax return**. If you are unsure which one applies to your situation, seek tax guidance before selecting.

STEP 2: Do you have more than one job?

Step 2: Multiple Jobs or Spouse Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

(a) Use the estimator at *www.irs.gov/W4App* for the most accurate withholding for this step (and Steps 3–4). If you or your spouse have self-employment income, use this option; **or**

(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below; **or**

(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is generally more accurate than Step 2(b) if pay at the lower paying job is more than half of the pay at the higher paying job. Otherwise, Step 2(b) is more accurate . . . . ☐

Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

This step may apply when:

- **CASE A:** You have more than one job at the same time.
- **CASE B:** You are married, anticipate filing as Married Filing Jointly, and your spouse also works.

Why does it matter? Because the correct Federal Income Tax withholding depends on the *combined income of all corresponding jobs*.

The W-4 provides several ways to handle this:

Option A · IRS Tax Withholding Estimator

The IRS recommends its estimator to obtain a more accurate calculation. This option is especially useful when:

- there are multiple jobs;
- wages vary significantly between jobs;
- there is self-employment income;
- you started working after the year had already begun;
- or your tax situation is more complex.

Use the official IRS estimator:

🌐 **Tax Withholding Estimator | Internal Revenue Service**

Option B · Multiple Jobs Worksheet Form W-4 itself includes a worksheet to calculate an additional withholding amount.

Option C · Two jobs only When there are only two jobs in total, the form provides a special checkbox. If this option is used, the option must be applied consistently on both W-4s.

⚠️ IMPORTANT

Do not check this box simply because your spouse works. Read the complete Step 2 instructions first.

Helpful rule: When there are multiple jobs, Steps 3 and 4(b) are generally completed on *only one Form W-4*, preferably the one for the highest-paying job.

STEP 3: Dependents and Other Credits

Step 3: Claim Dependent and Other Credits	If your total income will be $200,000 or less ($400,000 or less if married filing jointly):		
	(a) Multiply the number of qualifying children under age 17 by $2,200	**3(a)** $	
	(b) Multiply the number of other dependents by $500 . . .	**3(b)** $	
	Add the amounts from Steps 3(a) and 3(b), plus the amount for other credits. Enter the total here		**3** $

This is one of the steps where mistakes are most common.

⚠️ DO NOT SIMPLY WRITE THE NUMBER OF CHILDREN

Step 3 asks for **dollar amounts related to tax credits**, not simply how many children you have.

For the **2026 W-4**, if you meet the eligibility and income requirements stated on the form:

3(a) Number of qualifying children under age 17 × $2,200

3(b) Number of other qualifying dependents × $500

Then, these amounts are added together with any other applicable credits, and the total is entered in Step 3.

EDUCATIONAL EXAMPLE: Suppose someone determines that: they have 2 children who meet the respective requirements; and they have no other dependents. The calculation indicated by the form would be: 2 × $2,200 = $4,400. That person would enter the corresponding amount following the form's instructions.

⚠️ THIS DOES NOT MEAN

That anyone with two children can automatically enter $4,400. The corresponding tax requirements must be met first.

What effect does Step 3 have?

Generally speaking, entering eligible credits in Step 3 can: *reduce the amount of Federal Income Tax withheld* and, therefore: *increase your current paycheck.* However, it can also reduce your future refund because less money was withheld throughout the year.

STEP 4: Other Adjustments

Step 4: Other Adjustments	**(a) Other income (not from jobs).** If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income	**4(a)**	$
	(b) Deductions. Use the Deductions Worksheet on page 4 to determine the amount of deductions you may claim, which will reduce your withholding. (If you skip this line, your withholding will be based on the standard deduction.) Enter the result here . .	**4(b)**	$
	(c) Extra withholding. Enter any additional tax you want withheld each **pay period** . .	**4(c)**	$

This step is optional and consists of three different parts.

4(a) · Other Income: Here you can report specific income you expect to receive during the year that does not come from jobs and typically does not have withholding. Examples noted by the IRS include: interest, dividends, and certain retirement income.

⚠️ IMPORTANT

The IRS specifies that *you should not enter income from other jobs or self-employment income here*. For self-employment, consider using the IRS Tax Withholding Estimator.

4(b) · Deductions: This space is used when you want specific deductions you expect to claim to be factored into calculating your withholding. For 2026, the W-4 Deductions Worksheet incorporates several categories that may include, provided the individual meets the requirements: certain qualified tips; certain qualified overtime compensation; certain vehicle loan interest; specific deductions for individuals age 65 or older; student loan interest; IRA contributions; itemized deductions; and other allowable deductions.

⚠️ DO NOT GUESS AN AMOUNT: The form includes a *Deductions Worksheet* specifically designed to calculate this figure.

4(c) · Extra Withholding: Here you can request that your employer withhold additional Federal Income Tax from each paycheck.

EXAMPLE: Entering $25 means you are requesting an additional $25 in Federal Income Tax per pay period, over and above the standard calculation.

Remember: *More withholding now:* smaller take-home paycheck, potentially lower amount owed or a larger refund when filing taxes. *Less withholding now:* larger take-home paycheck, potentially smaller refund or a larger amount owed when filing taxes.

WHAT IF I WANT TO CLAIM EXEMPT?

Exempt from withholding	I claim exemption from withholding for 2026, and I certify that I meet **both** of the conditions for exemption for 2026. See *Exemption from withholding* on page 2. I understand I will need to submit a new Form W-4 for 2027 . ☐

Exempt from Federal Income Tax Withholding

You should not claim Exempt simply because:

- you earn very little;
- you have children;
- you do not want taxes withheld;
- or you received a refund the previous year.

To claim **Exempt from withholding for 2026**, the IRS states that you must meet **both conditions**:

1- You had no Federal Income Tax liability in 2025.

2- You expect to have no Federal Income Tax liability in 2026.

If you truly qualify and choose Exempt, the 2026 W-4 instructs you to complete:

- Step 1(a);
- Step 1(b);
- Step 5; and follow the specific instructions for the exemption.

⚠️ IMPORTANT

Claiming Exempt incorrectly can result in no Federal Income Tax being withheld, leaving you with unpaid taxes later on.

Additionally, claiming Exempt **does not continue automatically forever**. If you claim **Exempt** for 2026, you must submit a new Form W-4 for the following year if you still qualify and wish to maintain that exempt status.

STEP 5: Review and Sign

Step 5: Sign Here	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.
	Employee's signature (This form is not valid unless you sign it.) — **Date**

Before submitting your W-4, review:

- □ Correct legal name
- □ Correct address
- □ Correct SSN
- □ Only one filing status selected
- □ Step 2 completed only if applicable
- □ Step 3 calculated correctly if applicable
- □ Step 4 completed only when applicable
- □ Selection of Exempt only if you truly qualify

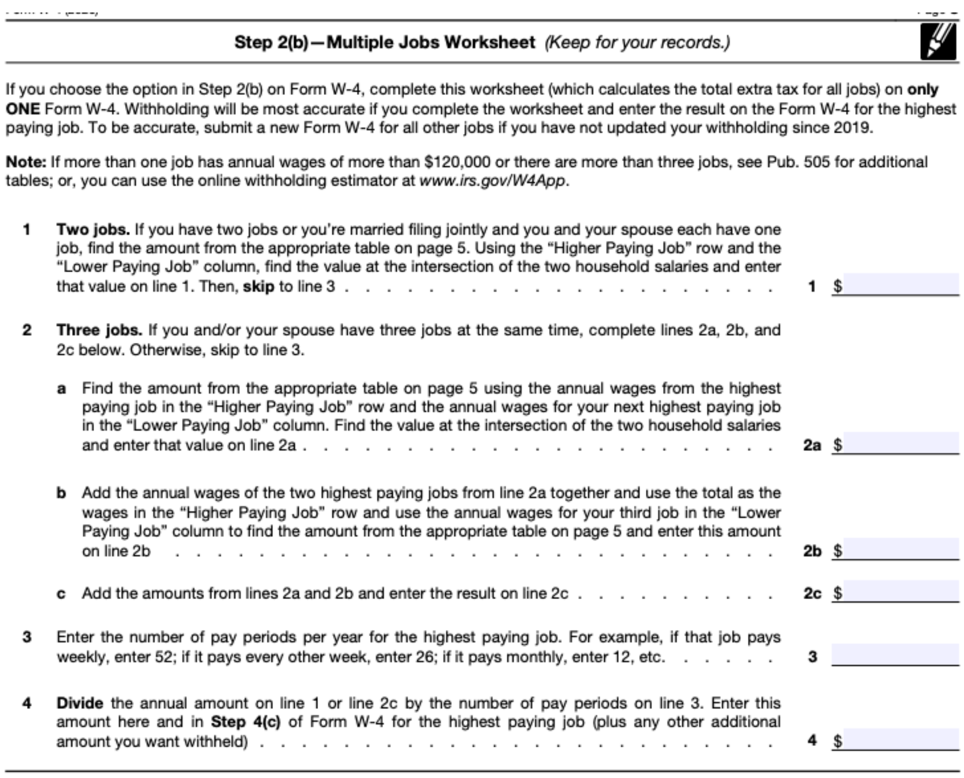
Now Sign and Date

Your signature certifies that, to the best of your knowledge, the information provided is true, correct, and complete.

⚠️ IMPORTANT

The form is not valid without the required signature.

PAGE 3 OF THE W-4



Step 2(b)—Multiple Jobs Worksheet *(Keep for your records.)*

If you choose the option in Step 2(b) on Form W-4, complete this worksheet (which calculates the total extra tax for all jobs) on **only ONE** Form W-4. Withholding will be most accurate if you complete the worksheet and enter the result on the Form W-4 for the highest paying job. To be accurate, submit a new Form W-4 for all other jobs if you have not updated your withholding since 2019.

Note: If more than one job has annual wages of more than $120,000 or there are more than three jobs, see Pub. 505 for additional tables; or, you can use the online withholding estimator at *www.irs.gov/W4App*.

1 **Two jobs.** If you have two jobs or you're married filing jointly and you and your spouse each have one job, find the amount from the appropriate table on page 5. Using the "Higher Paying Job" row and the "Lower Paying Job" column, find the value at the intersection of the two household salaries and enter that value on line 1. Then, **skip** to line 3 . . . . **1** $

2 **Three jobs.** If you and/or your spouse have three jobs at the same time, complete lines 2a, 2b, and 2c below. Otherwise, skip to line 3.

a Find the amount from the appropriate table on page 5 using the annual wages from the highest paying job in the "Higher Paying Job" row and the annual wages for your next highest paying job in the "Lower Paying Job" column. Find the value at the intersection of the two household salaries and enter that value on line 2a . . . . **2a** $

b Add the annual wages of the two highest paying jobs from line 2a together and use the total as the wages in the "Higher Paying Job" row and use the annual wages for your third job in the "Lower Paying Job" column to find the amount from the appropriate table on page 5 and enter this amount on line 2b . . . . **2b** $

c Add the amounts from lines 2a and 2b and enter the result on line 2c . . . . **2c** $

3 Enter the number of pay periods per year for the highest paying job. For example, if that job pays weekly, enter 52; if it pays every other week, enter 26; if it pays monthly, enter 12, etc. **3**

4 **Divide** the annual amount on line 1 or line 2c by the number of pay periods on line 3. Enter this amount here and in **Step 4(c)** of Form W-4 for the highest paying job (plus any other additional amount you want withheld) . . . . **4** $

Multiple Jobs Worksheet

This worksheet is used when you choose:

Step 2(b) — Multiple Jobs Worksheet

Not every worker needs to complete it.

Its purpose is to help you calculate *an additional amount of Federal Income Tax that must be withheld when multiple jobs exist*.

IMPORTANT

The worksheet is kept for your records.

The final result is entered on:

Step 4(c)

of the Form W-4 corresponding to the highest-paying job.

MULTIPLE JOBS WORKSHEET

For two jobs, the general process is:

STEP 1: Identify the approximate annual salary for the Higher Paying Job and the Lower Paying Job

STEP 2: Go to page 5 of Form W-4. Find the table corresponding to your anticipated filing status:

- Married Filing Jointly / Qualifying Surviving Spouse
- Single / Married Filing Separately
- Head of Household

STEP 3: Look for the Higher Paying Job on the left side of the table. Then find the lower-paying job across the top of the table.. The amount where both ranges intersect is used on the worksheet.

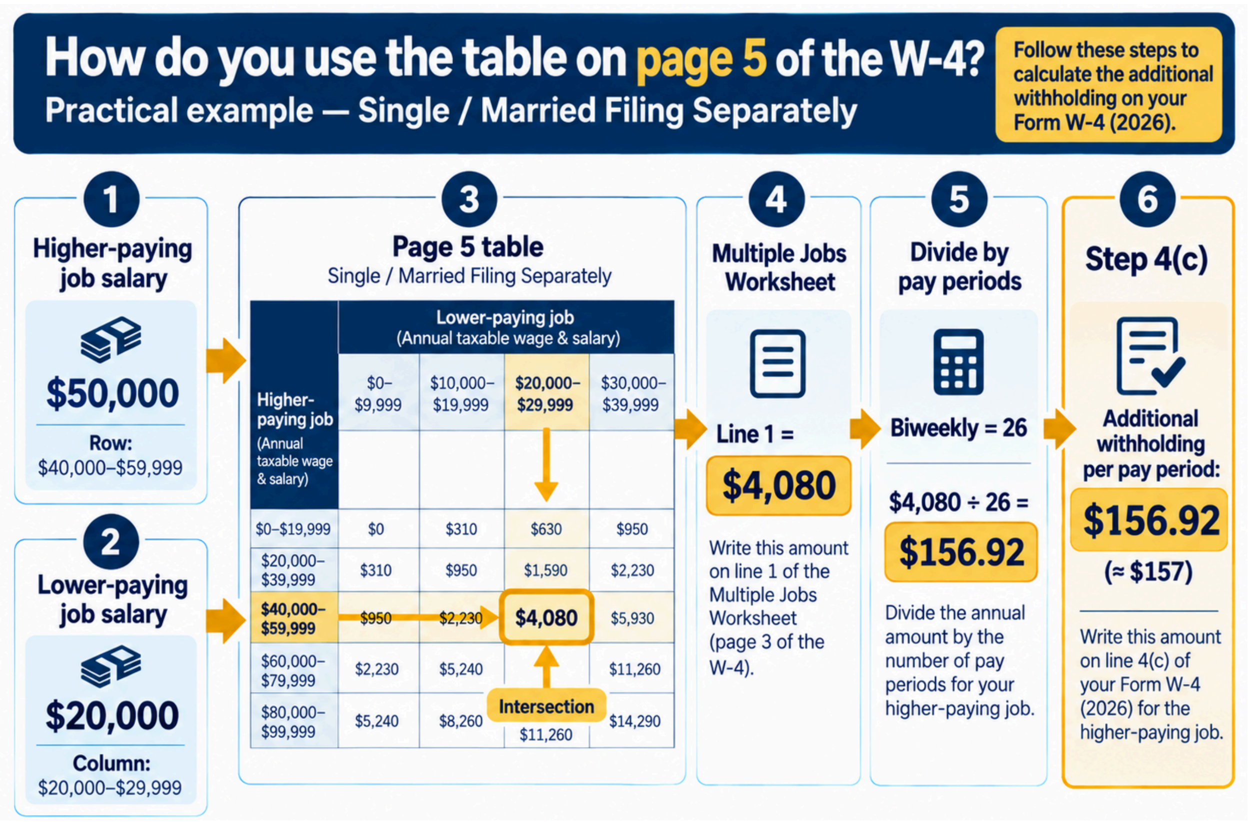
STEP 4: Enter that amount on Line 1 of the Multiple Jobs Worksheet.

STEP 5: Enter the number of pay periods per year for the highest-paying job.

Examples: Weekly → 52; Every other week / Biweekly → 26; Semi-monthly → 24 ; Monthly → 12

STEP 6: Divide the annual amount obtained from the table by the number of pay periods.

Enter the result from Line 4 in Step 4(c) of the Form W-4 for the highest-paying job.



MULTIPLE JOBS WORKSHEET

WHAT IF THERE ARE THREE JOBS?

When three jobs exist simultaneously, the worksheet uses Lines 2(a), 2(b), and 2(c).

In simple terms:

1 Compare the two highest-paying jobs using the table on page 5.

2 Then combine the wages from those two jobs.

3 Use that total along with the wage of the third job to consult the table again.

4 Add the corresponding amounts together.

5 Divide the result by the number of pay periods of the highest-paying job.

6 Enter the result on Step 4(c) of the corresponding W-4.

⚠️ WHEN IT IS BETTER NOT TO DO IT MANUALLY

The W-4 itself recommends using additional resources when:

- there are more than three jobs; or
- more than one job has annual wages exceeding $120,000.

In complex situations, use:

IRS Tax Withholding Estimator or additional IRS instructions.

Use the official IRS estimator:

🌐 **Tax Withholding Estimator | Internal Revenue Service**

PAGE 5 OF THE W-4

How do the tables work?

Page 5 contains **three different tables**, one for each filing status group:

TABLE 1

Married Filing Jointly / Qualifying Surviving Spouse

TABLE 2

Single / Married Filing Separately

TABLE 3

Head of Household

Each table has two axes

LEFT SIDE

Higher Paying Job Annual Taxable Wage & Salary

TOP

Lower Paying Job Annual Taxable Wage & Salary

What should you do?

Find:

1. The wage range for the higher-paying job;
2. The wage range for the lower-paying job;
3. And follow both lines until you find their intersection.

THIS AMOUNT IS NOT WHAT WILL BE WITHHELD FROM A SINGLE CHECK.

It is an **annual amount** used in the Multiple Jobs Worksheet.

Afterward, you must divide it by the corresponding number of pay periods.

⚠️ COMMON MISTAKE

Taking the number directly from the table and entering it entirely on Step 4(c).

Doing so could result in excessive withholding.

PAGE 4 OF THE W-4

Deductions Worksheet

This worksheet is used to calculate the amount that, if applicable, you should enter on Step 4(b) of Form W-4.

IMPORTANT

The Deductions Worksheet *is not solely for individuals who use itemized deductions*.

It can also factor in other allowable deductions, such as:

- qualified tips;
- qualified overtime compensation;
- qualified passenger vehicle loan interest;
- certain deductions for individuals age 65 or older;
- student loan interest;
- deductible IRA contributions;
- educator expenses;
- certain Schedule 1 adjustments;
- and, when applicable, itemized deductions.

The result of this worksheet can reduce the amount of Federal Income Tax withheld when you expect to claim specific deductions beyond the basic standard deduction.

Part 1 · Specific 2026 Deductions

- **Qualified Tips:** If you meet the applicable requirements and income limits, the worksheet allows considering qualified tips of up to **$25,000**.
- **Qualified Overtime Compensation:** If you meet the corresponding requirements, it may allow considering up to:
  - **$12,500**, or
  - **$25,000 if Married Filing Jointly**
  - of the qualified portion of overtime.
- **Qualified Passenger Vehicle Loan Interest:** May allow considering up to **$10,000** in eligible interest on certain vehicle loans, subject to applicable requirements and income limits.

⚠️ VERY IMPORTANT

This *does not mean* that anyone who receives tips, works overtime, or has a car loan can automatically enter the maximum allowed amount.

Specific eligibility requirements apply.

PAGE 4 OF THE W-4

DEDUCTIONS WORKSHEET — CONTINUATION

Seniors age 65 or older: The 2026 worksheet also provides for specific deductions for individuals *age 65 or older*. If income requirements are met: taxpayer age 65+ → **$6,000**; spouse age 65+ → an additional **$6,000** may apply, where applicable.

Other adjustments: Estimates for specific items may also be included, such as: student loan interest; deductible IRA contributions; educator expenses; alimony paid when applicable; and other allowable Schedule 1 adjustments.

Itemized Deductions: If you expect to use itemized deductions, the worksheet allows considering certain Schedule A deductions, including, subject to their rules: eligible medical and dental expenses; state and local taxes; home mortgage interest; charitable contributions; and other itemized deductions.

Standard Deduction 2026

The worksheet uses the following amounts:

- **Married Filing Jointly / Qualifying Surviving Spouse — $32,200**
- **Head of Household — $24,150**
- **Single / Married Filing Separately — $16,100**

Cash Gifts to Charities

If you use the standard deduction, Line 12 allows considering *cash contributions to charities of up to $1,000*, or up to *$2,000 if Married Filing Jointly*, provided they qualify under applicable rules.

Important: this is separate from the *itemized charitable deductions* on Line 6(d).

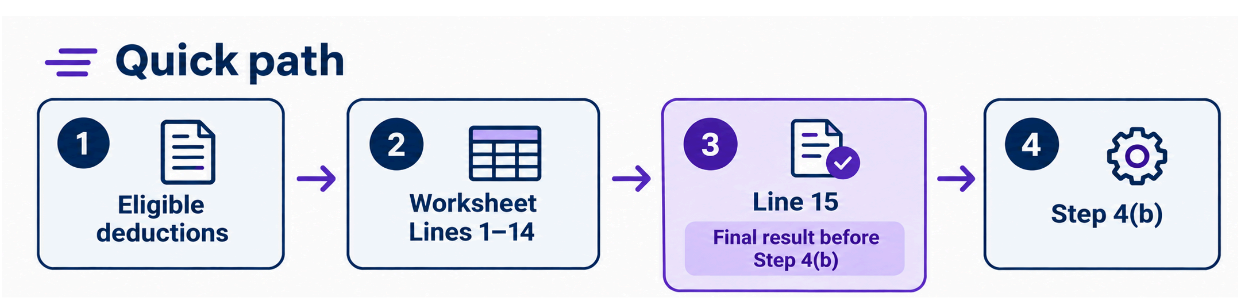
How does the calculation end?

The worksheet continues comparing and combining amounts from previous lines. You must not transfer each deduction individually to the W-4.

FINAL RESULT: The amount calculated on Line 15 is transferred to: **Form W-4 → Step 4(b)**

⚠️ AVOID THIS ERROR

Do not copy an isolated deduction directly onto Step 4(b). Complete the Deductions Worksheet through Line 15 first.



WHEN IS IT BEST TO USE THE IRS ESTIMATOR?

You don't have to figure everything out manually

Consider using the *IRS Tax Withholding Estimator* when:

- you are completing the W-4 after the year has already begun;
- you will only work part of the year;
- you have multiple jobs;
- your spouse also works;
- you have self-employment income;
- you received bonuses;
- you receive dividends or capital gains;
- your marital status changed;
- the number of dependents changed;
- your income changed substantially;
- or you simply want a more accurate calculation.

TIP

Have your most recent paystubs available when using the estimator.

Your W-4 does not eliminate tax obligations related to self-employment income

If during part of the year you received income as an:

- independent contractor;
- gig worker;
- freelancer;
- or self-employed; and you subsequently begin receiving a W-2:

Your new W-4 does not eliminate the taxes related to that prior income.

Self-employment income may be subject to:

- Federal Income Tax;
- Self-Employment Tax.

If you want to use withholding from your W-2 job to help cover those taxes, consider using the *IRS Tax Withholding Estimator*.

Use the official IRS estimator:

Tax Withholding Estimator | Internal Revenue Service

COMMON MISTAKES

❌ "I have two children, so I write 2 on Step 3."

No.

Step 3 uses dollar amounts following the corresponding instructions.

❌ "Married withholds less, so I select Married."

The filing status must reflect your anticipated tax situation.

❌ "I have another job, but there's no need to report it."

It can significantly impact your withholding.

❌ "I want more take-home pay right now, so I check Exempt."

Exempt has specific eligibility requirements.

❌ "The table on page 5 says $4,000, so I put $4,000 on each check."

No.

The amount from the table is used first on the Multiple Jobs Worksheet and is typically divided by your pay periods.

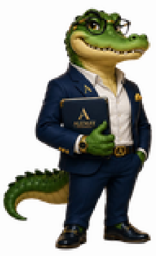
❌ "If I use the standard deduction, page 4 never applies to me."

Not necessarily.

The 2026 worksheet includes certain additional deductions that may be relevant even when taking the standard deduction.

❌ "I filled it out once, so I never need to review it again."

You can submit a new Form W-4 whenever your situation changes or you wish to adjust your withholding.



FINAL CHECKLIST

Before Submitting Your W-4

Personal Information

- □ Correct name
- □ Correct SSN
- □ Current address

Filing Status

- □ Selected only one option
- □ Matches my anticipated tax situation

Multiple Jobs

- □ Reviewed Step 2 if I have multiple jobs
- □ Reviewed Step 2 if Married Filing Jointly and my spouse works
- □ If I used the worksheet, correctly transferred the result to Step 4(c)

Dependents

- □ Did not simply write the number of children
- □ Followed Step 3 instructions

Deductions

- □ Used the Deductions Worksheet if applicable
- □ Correctly transferred Line 15 to Step 4(b)

Exempt

- □ Only selected Exempt if I truly qualify

Signature

- □ Signed
- □ Dated

ALEMAY

BUSINESS

YOUR BUSINESS SERVICES HUB

OFFICIAL RESOURCES

Still have questions?

Always use the official forms and current instructions.

DOWNLOAD THE OFFICIAL 2026 FORM W-4

IRS TAX WITHHOLDING ESTIMATOR

OFFICIAL IRS INFORMATION ON FORM W-4

NEED HELP?

Use one of the buttons below to **schedule an appointment** or **message us on WhatsApp**. We'll be happy to help.

If you have questions about other financial matters or want to learn more about our services, access Ale app and keep Alemay always within reach

Ale APP

Understanding your W-4 matters:

Your W-4 impacts how much Federal Income Tax is withheld throughout the year. The goal shouldn't simply be "withhold as little as possible" or "get a huge refund." The objective is to provide accurate information so your withholding aligns as closely as possible with your actual tax situation.

This guide is for educational and informational purposes only. It does not replace official IRS instructions or individualized tax advice. All decisions and certifications made on Form W-4 are the sole responsibility of the employee.

Version: **W4-EN-2026.1 ·** ***Last updated:*** **September 2026**

ALEMAY BUSINESS

YOUR FINANCIAL ALLY
WITHIN YOUR REACH.

www.alemaybusiness.com

Schedule Appointment

Chat on WhatsApp