

IRS FORM W-4 EMPLOYEE WITHHOLDING NOTICE

IRS advises both the employer and the employee as follows:

If an employee submits a valid Form W-4 that appears to be claiming an incorrect withholding amount, the City will withhold the federal income tax based on the allowances claimed on the Form W-4. However, in such instances the City is required by the IRS to advise the employee that the IRS may review withholding to ensure it is adequate, and that the IRS may direct the City, as the employer, to withhold income tax for the employee at a certain rate if the review indicates the employee's withholding is inadequate. Once this occurs the employee will not be allowed to decrease their withholding unless approved by the IRS. Both the employee and the City may be subject to penalties for false statements on the W-4 Form. Changes in exemptions will only be accepted on a signed original W-4 Form. By IRS regulations, the employer (the City) has up to 30-days to actually implement the change. The employee's Form W-4 remains in effect until the employee gives the City a new one. When a new Form W-4 is received from an employee, the City will begin withholding no later than the start of the first payroll period ending on or after the 30th day from the date on which the replacement Form W-4 is received.

I hereby submit the attached W-4 Form for processing and acknowledge that the City Payroll Office has advised me of the above stated IRS advice on W-4 Form withholding allowances.

Print Employee Name: _____

Date Signed: _____

Employee Signature: _____

Date Signed: _____

Payroll Signature: _____

Date Signed: _____

CITY ADMINISTRATIVE GUIDELINES:

This CITY Administrative Guideline is being adopted to bring into compliance employee tax withholding with IRS regulations and to reduce the risk of potential liability and penalties (for the City and employees) in the processing of W-4 forms with "incorrect withholding amounts". To clarify the CITY Administrative Guideline of "once per quarter and not in two-consecutive pay-periods":

- Employees should not submit a new W-4 Form to payroll for processing more than once a quarter (90 days).
- Once you submit a W-4 Form to payroll, you should not submit a new W-4 Form for at least 90 days or "Rule of Thumb": 6-pay-periods;
 - If you make a change in your W-4 withholding please plan to keep those changes in effect for at least 6 pay-periods and plan accordingly;
 - For example: if you submit a new W-4 Form to be effective on pay-date 5/18/2012 this W-4 Form should remain in effect through pay-date 8/24/2012;
- The City will NOT accept a W-4 Form that has written notes on it specifying a pay-period, pay-date, or a specific length of time (i.e. through 9/15/2012). If such is written on the W-4 Form it will be considered a personal note and not be processed as a change in W-4 withholding.
 - Any W-4 Form submitted to the City must remain in effect until a new W-4 Form is received and processed.
- Requests for changes in tax withholding due to a life changing event or special circumstance will need to be brought to the attention of the Finance Officer (Clint D. Osorio) for approval.
- Any employee who submits a new W-4 Form that appears to be incorrect per IRS regulations will be required to sign a statement that they have been advised by the City that the IRS may review the employee's withholding and may direct the City to withhold at a certain rate. In such case, the employee will not be allowed to decrease withholding unless approved by the IRS.
- Per IRS regulations, upon receipt of a new W-4 Form, payroll has up to 30 days to process the change. However, the City will make every effort to process any new W-4 Form immediately as long as the W-4 Form is received at least 5-business days before a pay-date.
- Please be advised that ultimately you are responsible for your own tax decisions and must determine your own exemptions status with or without the help of a tax advisor. The City cannot advise on any individual tax matters. The City is obligated to process any new W-4 Form submitted by an employee and is also obligated to advise the employee if the W-4 Form appears to be in any way incorrect.