

# Adjusting Your Withholding

*By Annie Fischer*

Even if you typically expect a large refund at tax time each year, you should always check your year-to-date withholding to see where you stand. There are several factors that may come into place that could affect your bottom line taxes and refund. You may have gotten a raise or a big bonus and now have more taxable income which could bump you up into a higher tax bracket. If you did not adjust your withholding you could possibly owe taxes. There are different withholding rules for bonuses depending on the amount. If you were not aware of this, your tax return could look very different from the previous year. Also, some tax credits you have gotten in the past may have expired and are no longer available. This is another factor that could affect your tax return and refund amount.

It is your personal choice if you want to have extra withholding from your paychecks for peace of mind to ensure a refund when you file your taxes. There are some other options though. If you look at it from a different perspective, you could have more take-home money now by adjusting your withholding to be lower throughout the year. You will not have a large refund, but you will be getting more money throughout the year to use for expenses or to save, rather than a bigger lump sum once a year. You can always complete Form W-4 at any time to adjust the amount of taxes you want withheld.

Some life events result in more taxes, while others lower your taxes. Here are some common life changing events that should make you review your withholding:

1. Getting a second job
2. You are unemployed part of the year
3. Getting married or divorced
4. Having a child or your child is no longer a dependent

## 5. Losing a spouse

If you have any questions or concerns on your withholding or your tax situation, give us a call!

Thanks,

**Annie Fischer**

*Income Tax Preparer*