



**Roland W. Burris**

Comptroller  
State of Illinois

December 10, 1980

201 State House  
Springfield, Illinois 62706  
217/782-6000

PAYROLL BULLETIN  
(5-80)

TO: All State Agencies, Departments, Boards, Commissions  
and Universities

SUBJECT: New W-4 and IL W-4 - Form Number C 25.1

The Comptroller's Office will begin furnishing State agencies a combined federal and state form W-4 (our form number C-25.1) when the current supply of form C-25, Federal W-4 and form C-26, State W-4 are exhausted. See Exhibit I. Side one of the form will be used to indicate the employee's voting county, name, social security number, date of birth, legal address, mailing address, and marital status and exemptions for federal income tax withholding purposes. Side two will be used to indicate pay code, type of change (if applicable), and State income tax withholding information.

1. Instructions for completing form C-25.1 - Side 1

- ①. Enter county where employee votes.
- ②. Enter employee's name.
- ③. Enter employee's Social Security number.
- ④. Enter employee's date of birth.
- ⑤. Enter employee's legal address.
- ⑥. Enter employee's mailing address if different from the legal address. If it is the same, enter "same".
- ⑦. Check appropriate box to indicate marital status for federal withholding purposes.

- ⑧ (1) Enter total number of withholding allowances claimed.
- (2) Enter additional amount to be withheld (optional).
- (3) IF 8(3) IS TO BE COMPLETED, LEAVE 8(1) AND 8(2) BLANK. Before employees can claim exempt, they must satisfy the conditions set forth in 8(3)a and 8(3)b. If these conditions are met, check the boxes and write exempt on the line provided in 8(3)b. If the employee is exempt, they must indicate "yes" or "no" in 8(3)c.
- ⑨ Employee must sign and date the form.

If an employee is unsure of how many federal exemptions they should claim, please make available to them the instructions (Exhibit II) on how to complete side 1 of form C-25.1. This exhibit may be reproduced by your agency. Lines 1, 2 and 3 on the instruction sheet refer to 8(1), 8(2) and 8(3) on Exhibit I.

II. Instructions for completing form C-25.1 - Side 2

- Ⓐ Enter the effective pay period date the W-4 represents and the employee's pay code.
- Ⓑ If W-4 represents a change, check appropriate box.
- Ⓒ Enter number of federal exemptions employee is entitled to.
- Ⓓ Enter number of exemptions employee is claiming for State income tax purposes.
- Ⓔ and Ⓕ Employee must date and sign form.

If for any reason there is a change in an employee's name, address, exemptions, etc; a new C-25.1 must be completed on both sides even though the change may affect only one side. The new C-25.1 must also be signed and dated by the employee on both sides.

Please use your existing stock of forms C-25 and C-26 before using the new form C-25.1. If you have any questions regarding this bulletin, please contact Daniel Steven at (217) 782-4758.

Sincerely,



Larry D. Roth  
Director  
State Accounting Department

SIDE 1

EMPLOYEE'S WITHHOLDING EXEMPTION CERTIFICATE

C-25.1 FORM W-4 U.S. Treasury Department Internal Revenue Service

PLEASE TYPE

Voting County 1 Date of Birth 4

Type Full Name Last First Middle Social Security No. 3 City State Zip Code

5 Legal Address 6 Mailing Address if Other Than Above 7 Marital status: Single Married Married, but withhold at higher Single rate

8 1. Total number of allowances you are claiming 2. Additional amount, if any, you want deducted from each pay 3. I claim exemption from withholding because (see instructions and check boxes below that apply): a Last year I did not owe any Federal income tax and had a right to a full refund of ALL income tax withheld, AND b This year I do not expect to owe any Federal income tax and expect to have a right to a full refund of ALL income tax withheld. If both a and b apply, enter "EXEMPT" here c If you entered "EXEMPT" on line 3b, are you a full-time student?

Under the penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate, or if claiming exemption from withholding, that I am entitled to claim the exempt status.

9 Employee's signature Date Employer's name and address (including ZIP code) (FOR EMPLOYER'S USE ONLY) State of Illinois, Comptroller, Withholding Agent, Springfield, IL 62706 Employer Identification number 37-600 2057 W

SIDE 2

Form IL-W-4

ILLINOIS DEPARTMENT OF REVENUE

EMPLOYEE'S ILLINOIS EXEMPTION CERTIFICATE

Table with 2 columns: DATE, PAY CODE. Header A

- Name Change Address Change Exemption Change B

EMPLOYEE:

File this form with your employer. Otherwise he must withhold Illinois income tax from your wages without exemption.

EMPLOYER:

Keep this certificate with your records. If the employee is believed to have claimed too great an exemption, please inform the Illinois Dept. of Revenue.

HOW TO CLAIM YOUR ILLINOIS WITHHOLDING EXEMPTION

- C 1. Write number of exemptions to which you are ENTITLED on your Federal Income Tax Return (Form 1040) D 2. To claim your full Illinois exemption, enter the amount shown on Line 1. If you elect to reduce the amount of your Illinois exemption for purposes of withholding Illinois income tax, enter a lesser number

I CERTIFY that the withholding exemption claimed on this certificate does not exceed the amount to which I am entitled.

(Date) E 19

(Signed) F

# Instructions for Completing Form C-25.1 - Side 1.

## Exhibit II

### Purpose

The law requires that you complete Form W-4 so that your employer can withhold Federal income tax from your pay. Your Form W-4 will remain in effect until you change it, or, if you entered "EXEMPT" on line 3b above, until April 30 of next year. By claiming the number of withholding allowances you are entitled to, you can fit the amount of tax withheld from your wages to your estimated tax liability.

### Introduction

If you got a large refund last year, you may be having too much tax withheld. If so, you may want to increase the number of your allowances by claiming any other allowances you are entitled to on line 1 of Form W-4. The kinds of allowances, and how to figure them, are explained in detail in the line-by-line instructions below.

If you owed a large amount of tax last year, you may not be having enough tax withheld. If so, you can claim fewer allowances on line 1, or ask that an additional amount be withheld on line 2, or both.

If the number of withholding allowances that you are entitled to decreases, you must file a new Form W-4 with your employer within 10 days from the date of the change.

If you qualify, you can claim exemption from withholding on line 3b of Form W-4.

The line-by-line instructions below explain how to fill in Form W-4. Publication 505, Tax Withholding and Estimated Tax, contains more information on withholding. You can get it from any Internal Revenue Service office.

For more information about who qualifies as your dependent, what deductions you can take, and what tax credits you qualify for, see the Form 1040 Instructions or call any Internal Revenue Service office.

### Line-By-Line Instructions

Fill in the identifying information at the top of the form. If you are married and want tax withheld at the regular rate for married persons, check the "Married" box. If you are married and want tax withheld at the higher Single rate (because both you and your spouse work, for example), check the box "Married, but withhold at higher Single rate."

#### Line 1 of Form W-4

**Total number of allowances.**—Use the Worksheet on page 2 to figure all of your allowances. Each kind of allowance you may claim is explained below and is identified by the letter that corresponds to the line for that allowance on the Worksheet.

**A. Personal allowances.**—You can claim the following personal allowances:

- 1 for yourself,
- 1 if you are 65 or older, and
- 1 if you are blind.

If you are married and your spouse either does not work or is not claiming his or her allowances on a separate Form W-4, you may also claim the following allowances:

- 1 for your spouse,
- 1 if your spouse is 65 or older, and
- 1 if your spouse is blind.

If you are single and hold more than one job, you may not claim the same allowances with more than one employer at the same time. If you are married and both you and your spouse are employed, you may not both claim the same allowances with both of your employers at the same time.

Enter your total personal allowances on line A of the Worksheet.

**Note:** To have the highest amount of tax withheld, claim "0" personal allowances on line 1.

**B. Special withholding allowance.**—You can claim the special withholding allowance only if you are single and have one job or you are married, have one job, and your spouse does not work.

If you can claim the special withholding allowance, enter "1" on line B of the Worksheet.

**Note:** Use the special withholding allowance only to figure your withholding tax. Do not claim it when you file your tax return.

**C. Allowances for dependents.**—You may claim one allowance for each dependent you will be able to claim on your Federal income tax return. Enter on line C of the Worksheet the total number of allowances you can claim for dependents.

**D. Allowances for estimated tax credits.**—If you expect to be able to take the earned income credit, credit for child and dependent care expenses, credit for the elderly, or residential energy credit, these credits may lower your tax. To avoid having too much withheld, you may claim extra allowances for these tax credits on line D of the Worksheet.

To enter the proper figure on line D of the Worksheet, you will have to use the "Tax Credit Table for Figuring Your Withholding Allowances" on the top of page 2.

**Note:** Do not claim allowances for your earned income credit if you are receiving advance payment of it.

**E. Allowances for estimated itemized deductions and alimony.**—If you expect to itemize your deductions or pay alimony during the year (or both), you may want to claim additional withholding allowances so you will have less tax withheld.

See Schedule A (Form 1040) to find out what deductions you can take and to estimate the amount of your deductions.

**Note:** If you are paying alimony but will not itemize deductions, enter your estimate of alimony payments for the year on lines E1 and E3 (enter "0" on line E2). Divide the amount on line E3 by \$1,000, and enter the result on line E4 of the Worksheet. Round-off any fraction to the nearest whole number.

#### Line 2 of Form W-4

**Additional amount, if any, you want deducted from each pay.**—If you are not having enough tax withheld from your pay, you may ask your employer to withhold more by filling in an additional amount on line 2.

Often, married couples, both of whom are working, and single persons with two or more jobs, will need to have additional tax withheld.

Estimate the amount by which you will be underwithheld and divide that amount by the number of pay periods in the year. Enter the additional amount you want withheld each pay period on line 2.

#### Line 3 of Form W-4

**Exemption from withholding.**—You can claim exemption from withholding only if last year you did not owe any Federal income tax and had a right to a refund of all income tax withheld, and this year you do not expect to owe any Federal income tax and expect to have a right to a refund of all income tax withheld.

If you qualify check boxes 3a and b, write "EXEMPT" on line 3b and answer Yes or No to the question on line 3c.

If you want to claim exemption from withholding next year, you must file a new Form W-4 with your employer on or before April 30 of next year. If you are not having Federal income tax withheld this year, but expect to have a tax liability next year, the law requires you to give your employer a new Form W-4 by December 1.

If you are covered by the Federal Insurance Contributions Act, your employer must withhold social security tax from your pay.

(over)

**Tax Credit Table for Figuring Your Withholding Allowances—See Example Below**

Allowances ▶	0		1		2		3		4		5		6	
	If the amount of estimated tax credits is:													
Estimated salaries and wages from all sources:	Under		At least		But less than		At least		But less than		At least		But less than	
	<b>Part I Single Employees</b>													
Under \$5,000	No additional allowances			500	700	700	900	900 or more						
5,000–15,000	250	250	500	700	1,000	1,000 or more								
15,001–25,000	350	350	700											
25,001–35,000	550	550	950											
<b>Part II Head of Household Employees</b>														
Under \$5,000	No additional allowances			400	650	650	900	900 or more						
5,000–20,000	150	150	400	650	1,000	1,000 or more								
20,001–35,000	1	1	300											
35,001–45,000	450	450	850											
<b>Part III Married Employees (When Spouse is Not Employed)</b>														
Under \$8,000	No additional allowances			350	500	500	700	800	800	950	950 or more			
8,000–15,000	200	200	350	500	700	700	950	950 or more						
15,001–25,000	250	250	500											
25,001–35,000	300	300	650											
35,001–45,000	650	650	1,050											
<b>Part IV Married Employees (When Both Spouses are Employed)</b>														
Under \$8,000	No additional allowances			400	450	450 or more								
8,000–15,000	250	250	400	450	950	950 or more								
15,001–25,000	550	550	800											

**Example:** A taxpayer who expects to file a Federal income tax return as a single person estimates annual wages of \$12,000 and tax credits of \$650. The taxpayer uses Part I for single employees. The \$12,000 falls in the wage bracket of \$5,000 to \$15,000 in the left column. Reading in the shaded area to the right, \$650 falls within the estimated tax credits bracket of At least 500 But less than 700. Looking to the top of the column, the taxpayer finds that 2 allowances are permitted. The taxpayer enters "2" on line D of the Worksheet below.

**Worksheet to Figure Your Withholding Allowances to be Entered on Line 1 of Form W-4**  
(Letters on this worksheet are keyed to the letters in the line-by-line instructions on page 1)

A	Personal allowances . . . . .	▶	A	
B	Special withholding allowance (not to exceed 1 allowance—see instructions on page 1) . . . . .	▶	B	
C	Allowances for dependents . . . . .	▶	C	
D	Allowances for estimated tax credits (from Tax Credit Table for Figuring Your Withholding Allowances, above):		D	
	1 Find your filing status under Part I, II, III, or IV of the table.			
	2 Under your filing status, find your estimated salaries and wages in the left column.			
	3 Read the shaded amounts across to the right until you get to the amount of your estimated tax credits.			
	4 At the top of that column is the number of allowances you may take for your estimated tax credits. Enter the number of allowances . . . . .	▶	D	
E	Allowances for estimated itemized deductions and alimony:			
	1 Enter the amount of your estimated itemized deductions, including alimony payments, for the year . . . . .	▶	1	\$
	2 Find your total estimated salaries and wages amount in the left column of the table below. Read across to the right and enter the amount from the column that applies to you. Enter that amount here (if claiming only alimony payments on line E1, enter "0" on line E2) . . . . .	▶	2	\$
			3	\$
	3 Subtract line E2 from line E1 . . . . .	▶	E	
	4 Divide the amount on line E3 by \$1,000 (round-off fractions to the nearest whole number). Enter here . . . . .	▶	F	
F	<b>Total</b> (add lines A through E). Enter total here and on line 1 of Form W-4 . . . . .	▶		

Estimated salaries and wages from all sources:	Single Employees (only one job)	Married Employees (one spouse working and one job only)	Employees with more than one job or Married Employees with both spouses working
Under \$10,000	\$2,800	\$3,900	\$4,000
10,000–30,000	2,800	3,900	5,800
30,001–40,000	3,500	3,900	8,000
Over \$40,000	15% of estimated salaries and wages	13% of estimated salaries and wages	23% of estimated salaries and wages

**Privacy Act of 1974**

The Internal Revenue Code requires employees to fill out and give their employers a signed withholding allowance certificate that shows the number of withholding allowances an employee claims (section 3402(f)(2)(A) and its regulations). You are also required to give your social security number for proper identification and proc-

essing (section 6109 and its regulations). If you do not fill out a withholding allowance certificate, you will be treated as a single person who claims no withholding allowances (sections 3402(i) and 3401(e)). The main use of this information is to carry out the Internal Revenue laws of the United States. Routine uses of the information include giving it to the Department

of Justice if they need it in connection with civil or criminal litigation, and to the States and District of Columbia for use in administering their tax laws.

At the time this form was printed, regulations were proposed which would require employers to send the IRS copies of certain Forms W-4.