

Weekly Unemployment Benefit Tax Withholding Information

Tax withholding is optional, and you can elect to receive the entire Weekly Unemployment Benefit amount and pay taxes on it at the end of the year instead. Receiving a larger check is tempting, but it's wise to have the taxes withheld from your Weekly Unemployment Benefit. Taking a hit now is better than owing the IRS at the end of the year. A Form W2 will be issued by the Fund reflecting withholdings, if any.

As stated above, unless you submit a Form W4, FICA/Medicare, Federal, State or City taxes **will not** be withheld when the benefits are distributed by the Fund.

The following examples summarize the tax withholdings that apply to the Weekly Unemployment Benefit when you submit a valid Form W-4.

These examples, which are based on the 2020 tax rates, illustrate withholdings for an unmarried individual or married filing separately, a married individual filing jointly, and a head of household individuals. If you have other income such as wages during a tax year from work performed in covered employment, are married and have additional income from a working spouse or from other types of investments, your tax bracket may be higher, and you may want to elect Extra Withholdings in Step 4 of Form W4. These examples include FICA/Medicare, Federal, State and City income tax rates based on weekly tax tables issued by the respective taxing authorities and are merely for illustrative purposes. **Check with your tax advisor to see how electing Form W4 Option can affect you.**

Example 1 – Assume you are receiving \$900.00 (3 weeks at \$300 week) and you **DO NOT** elect Form W-4 option.

	FICA/Medicare	Federal	State	City	Payment
Single or married filing separately	\$0.00	\$0.00	\$0.00	\$0.00	\$900.00
Married filing jointly	\$0.00	\$0.00	\$0.00	\$0.00	\$900.00
Head of household	\$0.00	\$0.00	\$0.00	\$0.00	\$900.00

Example 2 – Assume you are receiving \$900.00 (3 weeks at \$300 week) and you elect Form W-4 option.

	FICA/Medicare	Federal	State	City	Payment
Single or married filing separately	\$0.00	\$57.00	\$18.30	\$13.65	\$811.05
Married filing jointly	\$0.00	\$18.00	\$17.10	\$12.75	\$852.15
Head of household	\$0.00	\$36.00	\$17.10	\$12.75	\$834.15

Example 3 – Assume you are receiving \$300.00 (1 weeks at \$300 week) and you elect Form W-4 option.

	FICA/Medicare	Federal	State	City	Payment
Single or married filing separately	\$0.00	\$19.00	\$6.10	\$4.55	\$270.35
Married filing jointly	\$0.00	\$6.00	\$5.70	\$4.25	\$284.05
Head of household	\$0.00	\$12.00	\$5.70	\$4.25	\$278.05

You may want to elect the Form W4 option with Extra Withholdings in Step 4 of Form W4 to minimize amounts owed to the IRS.