



County of Riverside  
OFFICE OF THE AUDITOR-CONTROLLER  
STANDARD PRACTICE MANUAL

		<b>SUBJECT:</b> Employee Withholding Allowance Certificates (Forms W-4 and DE 4)
<b>SECTION:</b> 2		<b>CATEGORY:</b> Payroll
<b>POLICY NUMBER:</b>	209	
<b>EFFECTIVE DATE:</b>	7/1/13	<b>APPROVED BY:</b> <i>Paul Argento</i>

**PURPOSE:**

To establish policies, procedures, and to provide guidelines for updating withholding allowances. The Federal form *W-4 Employee's Withholding Allowance Certificate* and the State's *DE 4 Employee's Withholding Allowance Certificate* are used to compute the amount of payroll taxes to be withheld from employee's wages. Please note that neither the Department Payroll Representative nor Auditor-Controller's Office (ACO) Payroll staff members can offer tax advice. Please contact your personal tax advisor for your particular situation.

**SCOPE:**

Applies to all County departments, agencies, special districts, and authorities—collectively referred to as "entities"—that are governed by the Board of Supervisors or that are considered part of the County reporting entity.

**POLICY:**

Requests to modify federal withholding status are submitted through IRS Form W-4 and requests to modify California state withholding status are submitted through California Form DE 4. These forms are available on the ACO's website [www.auditorcontroller.org](http://www.auditorcontroller.org) (Payroll/Tax Information – Payroll Related/Forms).

Employee's withholding allowance certification rules are mandated by the Internal Revenue Service (IRS) and the California Employment Development Department (EDD).

**PROCEDURE:**

General Instructions:

- To change federal withholding, employees must submit IRS Form W-4. To change California withholding, employees must submit California Form DE 4. The W-4 will only be used to make changes to the federal withholding (except when claiming exempt from California withholding).
- W-4s and DE 4s must be submitted by the last day of the pay period to be effective for that pay period. Per IRS regulations, employers must put the forms into effect by the first payroll period ending 30 or more days after the form is turned in; however, we strive to have the withholding changes reflected on the following pay check.
- If you are making changes to multiple pay periods, forms must be submitted for each pay period.
- All forms should be written clearly with only the requested information. Additional writing or white out on the form invalidates the form. This only applies to the actual form part of the page. For the W-4, this is the bottom half of the page. For the DE 4, this is the top portion of the page.
- Forms must be completely filled out and signed. Incomplete forms will be returned.

- Forms must be completely filled out and signed. Incomplete forms will be returned.
- Please submit the full page of the form even though the form indicates it may be cut. Please retain a photocopy for your records.
- For the W-4, please use the blank space at the top of the page to write your (1) employee number, (2) phone number, and (3) the pay period you would like the form to be effective. Please do the same for the DE 4, utilizing the blank space at the bottom of the page. If no pay period is listed, the form(s) will be effective the pay period received.
- Please only submit the changes once. If you have faxed your request, you do not need to follow up with a mailed copy. The original is not needed.
- Employee's have three (3) options to submit changes:

- Fax - (951) 955-3814

- Central Mail - Mail Stop 1160

U.S. Postal Service:

- Auditor-Controller Payroll Division  
P.O. Box 1326  
Riverside, CA 92502

- Forms include social security numbers and must not be emailed to comply with HIPPA regulations.
- For more details, see IRS Publication 919, *How Do I adjust My Tax Withholding?* The withholding calculator at [www.irs.gov/individuals](http://www.irs.gov/individuals) is also a useful tool. State calculator can also be utilized at [www.taxes.ca.gov/de4.xls](http://www.taxes.ca.gov/de4.xls) (Microsoft Excel required).

### Claiming Exempt from Withholding

#### *Federal Withholding*

- Per IRS Publication 505, *Tax Withholding and Estimated Tax*, "You can claim exemption from withholding for the current year only if both of the following situations apply:
  - For prior year, you had the right to a refund of all federal income tax withheld because you had no tax liability.
  - For current year, you expect refund of all federal income tax withheld because you expect to have no tax liability."
- "If you claim exemption, but later your situation changes so that you will have to pay income tax after all, you must file a new Form W-4 within 10 days after the change."
- "Finally, an exemption is only good for one year. You must provide your employer a new Form W-4 by February 15 each year to continue your exemption." If you do not turn it in, your withholding will be changed to single and zero.

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- If you want to claim exempt from withholding of income tax on your W-4, please complete boxes 1, 2, 3, 4, and 7 only and submit with your signature. Any marks in the other boxes invalidates the form. Please note that you cannot claim exempt and request an additional amount be withheld.  
**Note:** If you have an IRS lock in letter in effect, (this letter from the IRS states that the individual is not allowed to change their withholding allowances) no changes can be made to increase your withholdings above the number on the lock in letter. If you would like to lower the number of allowances, this can be done. For example, if your lock in letter is for Single and 3 exemptions, you can change to Single and 1 exemption but you cannot change to Single and 5 exemptions.

*California Withholding*

- To claim exemption from withholding for California, you must file the federal Form W-4. Please write at the top of the page containing the Form W-4 that you are claiming exempt for both California and Federal as without the note, only federal will be changed. Please note, you can claim exempt for federal only, however to claim exempt for California, you must claim exempt for both federal and California. To claim exempt for California, the federal rules listed above from Publication 505 on exemptions still apply.

PeopleSoft Employee Self-Service

- Employees also have the ability to update their federal withholding through PeopleSoft employee self-service. Employee self-service job aids can be found on the Auditor-Controller’s website at [www.auditorcontroller.org/payroll/mypaycheck](http://www.auditorcontroller.org/payroll/mypaycheck). At this time, California withholding cannot be updated through employee self-service. Therefore to go exempt from withholding for California a federal form W-4 must be filed out and submitted to the Auditor-Controller’s Office to go exempt from withholding for both federal and state purposes (see paragraphs above). To go back to regular withholdings from exempt the California form DE 4 must be submitted to the ACO Payroll Division per the guidelines above.

ACO Payroll Division’s Role:

Process employee withholding allowance changes as regulated by the Internal Revenue Service.

Human Resources’ Role:

Process W-4 and DE 4 forms for all new hires of the County of Riverside.

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