The passage of Tax Cuts and Jobs Act of 2017 has implications for University of Colorado faculty and staff’s paychecks. Among them: Slightly larger paychecks and a delay in the release of the 2018 Form W-4.

Paycheck amounts

When viewing their January paychecks, many employees noticed that they were larger than usual. “That’s because the recently passed tax law changed tax rates for many income levels, typically resulting in larger paychecks,” said Sharon Bishop, Director of Payroll for Employee Services.

2018 W-4 delay

Tax changes passed in December also delayed the IRS’s release of the 2018 W-4 until Feb. 28.

The W-4 allows employees to determine the amount of federal income tax withheld from their pay. Employee Services recommends that all employees check their W-4 and make any needed adjustments at the start of each year – especially if an employee got married, had a child or experienced other changes that would affect their tax status.

The IRS delay means employees and new hires can continue using the 2017 W-4 for 30 days after the new one is available. Employees who claimed tax-exempt in 2017 will have their exemption extended until Feb. 28.

Employee Services Director of Payroll Sharon Bishop encourages faculty, staff and student employees to continue to review the federal and state withholdings on their paychecks until the IRS releases the new W-4 form and online withholding calculator. Employee Services will share news of its release through campus communications channels.

“I highly encourage everyone to take advantage of the IRS calculator tool to see how change to the tax laws will affect them,” Bishop said. “It will help to make sure you will not owe taxes when you complete your 2018 tax return.”

When released, the IRS withholding calculator will be available at IRS.gov/W4App. The IRS anticipates that this calculator will be available by the end of February.