IRS Combined with Regular Wages

- If supplemental and regular amounts are not specified then:
  - Withhold income tax as if regular payroll single payment
  - Withhold using Form W-4

Publication 15

IRS

Separately identified

- Separate payment or combined but specified amount

  1. Withhold flat 25% <u>OR</u>
  2. Add supplemental and regular wages

  - Figure tax
  - Subtract tax withheld on regular pay
  - Withhold difference

IRS

W-4

- $1,000 penalty for:
  - Willfully supplying false or fraudulent information on Form W-4

OR

  - Willfully failing to supply information that would increase the withholding