Consumers don’t know when, where or how to update their W-4

47% did not know that they can update their W-4 at any time.
42% of respondents knew that they should submit their updated W-4 to their employer. Respondents thought it went to:
» 27% the IRS
» 7% their financial advisor
» 6% the Social Security Administration
» 6% other
» 5% the bank
» 4% the Federal Reserve
» 3% the offices of the city government

45% of respondents were unsure what factors could be considered a withholding allowance on their W-4
48% knew that increasing withholding would result in a larger refund
47% knew decreasing withholding would result in larger paychecks

Consumers don’t feel prepared or supported in updating their W-4
46% felt prepared to update their W-4
31% did not have anyone they trusted to help them

Consumers aren’t sure what they’ve done, let alone if it’s right.
After tax reform:
40% of respondents said they updated their W-2 (reports wages), which is an IRS information document generated by an employer, not something that individuals can update
19% of respondents updated their W-4 (paycheck withholding)
17% said they updated their insurance documents
11% updated their 1099, which is an IRS information document generated by a third party, not something that individuals can update
6% updated their I-9 (employment eligibility verification)
22% said “other” (ex. “did nothing,” “n/a,” “none,” “nothing”)

Source: Nov. 2018 online survey of 2,002 adults in the United States who will be filing a tax return in 2019 for their 2018 earnings