

“EXEMPT” from Withholding on your W-4

Before you complete your W-4 Federal Tax Withholding in Employee Self Service (ESS) and your paper W-4VT Vermont Tax Withholding elections, please carefully consider whether you are eligible to claim “EXEMPT”.



Claiming “EXEMPT” on either or both forms means that ***\$0 Federal and /or State taxes will be withheld from your wages.*** Exempt does not apply to Social Security or Medicare taxes.

Please refer to IRS Publication 505, chapter 1, pages 11-12 <https://www.irs.gov/pub/irs-pdf/p505.pdf> for information and a helpful chart to help you decide whether claiming “EXEMPT” is right for you.

You can claim “EXEMPT” from withholding in a calendar year *only* if both of the following situations apply:

- The previous calendar year you had a right to a refund of all federal income tax withheld because you had no tax liability.
- In the current calendar year, you expect a refund of all federal and / or State income tax withheld because you expect to have no tax liability.

Students – please note that students are not automatically exempt. If you work only part time or during the summer, you may qualify for exemption from withholding.

If you claimed “EXEMPT” and your situation changes, you may update your federal withholding status in ESS and / or submit a new W-4VT to VTHR.

An exemption is good for only 1 year! You must update your withholding status each calendar year by February 15th to continue claiming an “EXEMPT” status.

For questions or assistance with Employee Self Service, please contact the VTHR Help Desk at 802-828-6700 or send an email to VTHR.Helpdesk@vermont.gov.