



## Illinois Department of Corrections

### Administrative Directive

Number: <b>02.60.110</b>	Title: <b>Federal and State Tax Forms</b>	Effective: <b>4/1/2022</b>
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<b>Authorized by:</b>	<i>[Original Authorized Copy on File]</i> <b>Rob Jeffreys</b> Director
<b>Supersedes:</b>	02.60.110 effective 6/1/2013

<b>Authority:</b> 730 ILCS 5/3-2-2	<b>Related ACA Standards:</b> 5-ACI-1B-07
<b>Referenced Policies:</b>	<b>Referenced Forms:</b>

#### I. POLICY

The Department shall ensure each employee completes the appropriate forms to report both State and federal withholding information. Failure to properly complete the appropriate forms may result in inaccurate withholding.

#### II. PROCEDURE

##### A. Purpose

The purpose of this directive is to establish a procedure for processing employees' State and federal withholding information in compliance with the rules and regulations established by the Office of the Comptroller.

##### B. Applicability

This directive is applicable to all correctional facilities, offices, programs and parole services within the Department.

##### C. Facility Reviews

A facility review of this directive shall be conducted at least annually.

##### D. General Provisions

1. Copies of all applicable State and federal forms for each employee shall be on file in the Comptroller's Office and in the employing facility's Payroll Section.
2. A federal Form W-4 and Illinois Form IL-W-4 shall be completed by all new employees and submitted to the facility's Payroll Section before the close of the employee's first pay period.
  - a. The federal W-4 form shall be used for reporting federal withholding information, including exemption from federal withholding. An employee who claims exemption from federal withholding shall complete and submit a new federal W-4 form by February 15th of the succeeding year.
  - b. The IL-W4 form shall be used for reporting Illinois withholding information. If the employee wishes to claim exemption from Illinois withholding due to legal residence in Indiana, Iowa, Kentucky, Michigan or Wisconsin the IL-W-5 form shall be completed instead.
  - c. An employee shall report any change of name, address, social security number on a new C-26. A change in marital status will require a new federal Form W-4. A change in state withholding will require a new Illinois Form IL-W-4.

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- d. If an employee refuses to complete the State or federal withholding forms or if the forms are improperly completed or altered, tax shall be withheld at the same rate as a person claiming single marital status and zero allowance(s). Withholding at this rate shall continue until the employee properly completes and submits the appropriate forms.
- e. Current withholding forms shall be maintained in the employing facility's payroll files for each active employee. Withholding forms for terminated employees shall be maintained for a period of at least six years.
- f. The Comptroller's Office will issue an annual Wage and Tax Statement, federal W-2, to each State employee. This statement shall include annual gross earnings from December 16 of the previous year through December 15 of the reporting year.
  - (1) The W-2 shall be mailed by January 31 of the succeeding year to the address reported on the current C-26.
  - (2) If the W-2 is not received or if it contains erroneous information, the employee shall notify his or her facility's Payroll Section immediately.

**E. Requirements**

- 1. The employee shall type or legibly print all applicable information on the appropriate forms (Federal W-4, IL-W-4, IL-W-5 and/or C-26). One copy of each form shall be required.
- 2. If a name change is being submitted, the name change shall be entered on the C-26 form.
- 3. If the employee wants additional tax withheld, the dollar amount per pay period shall be entered. This amount shall be in addition to the withholding amount that was calculated based on the marital status and the number of withholding allowance(s) claimed.
  - a. If exempt status is claimed due to religious reasons, the employee shall submit a letter signed by the religious order that states the employee has taken a vow of poverty or the employee is working as required by the religious order.
  - b. The employee's signature and the date shall be required on both copies of each applicable form.
- 4. The employee shall submit a copy of the appropriate completed forms to the facility's Payroll Section.
- 5. The facility's Payroll Section shall:
  - a. Audit the forms for legibility and proper completion. Illegible, incomplete or altered forms shall be returned to the employee for correction.
  - b. Enter the effective pay period and pay code on the forms.
  - c. Enter the withholding information into the automated payroll system using the appropriate transaction, retain a copy of the forms in the facility's payroll file and forward the remaining copy to the Central Office Payroll Section in Springfield; or
  - d. If the facility does not input payroll information, forward both copies of the appropriate forms to the Central Office Payroll Section for input and filing.
- 6. The Central Office Payroll Section shall:

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- a. Audit the forms and verify (or enter) the pay code and the effective pay period.
  - b. Return any illegible, incomplete or altered forms to the facility's Payroll Section for corrective action.
  - c. Process the tax withholding or credit information for any employee whose employing facility does not input payroll and retain a copy of the appropriate forms in the payroll file.
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