

# W-4 Illinois Tax Withholding

---

Employee must submit a signed IL-W-4 for IL reporting and withholding.

**NOTE:** New employees must also submit a UW W-4 for Federal withholdings.

After updating the State Tax Information, the Tax Distribution must also be set up in HRS.

For additional information about entering a W-4, see KB [16889](#).

## State Tax Tab

Navigation: **Payroll for North America > Employee Pay Data USA > Tax Information > Update Employee Tax Data**

1. On the **WI** (default) row:
  - Uncheck **Resident**.
  - Verify **UI Jurisdiction** is checked.
  - Change **Special Withholding Tax Status** to No Taxable Gross, No Tax Taken.
2. Add a row in the State Information section.
3. Enter IL in the **State** field.
4. Verify **Resident** is checked.
5. Review that **UI Jurisdiction** is unchecked.
6. **Special Withholding Tax Status** should be None.  
**WARNING:**
  - If the employee has claimed exemption for IL BUT federal W-4 is not also marked exempt, Illinois regulations require the W-4 be disregarded and tax status set to none with zero withholdings.
  - If the employee has claimed exempt for both Illinois and federal, select Maintain Taxable Gross.
7. Change **Tax Marital Status** to Not Applicable or Exempt (based on IL-W-4).
8. Enter **Withholding Allowance** from IL-W-4 line 1.
9. Enter **Additional Amount** from IL-W-4 line 3.
10. Enter **Additional Allowances** from IL-W-4 line 2.
11. Click **Save**.

## Update Tax Distribution

Navigation: **Payroll for North America > Employee Pay Data USA > Tax Information > Update Tax Distribution**

1. Add a row.

2. Change the **State** to IL.
3. Verify the **Percent of Distribution** is 100.
4. Click **Save**.

### Update Tax Distribution

**STEVEN NEWYORK** Employee Empl ID Empl Record 0

**Tax Distribution** Find | View All First 1 of 2 Last

\*Effective Date

Country USA

Insert Pre-filled Tax Location

**States/Localities** Personalize | Find | View All | 📄 | 📅 First 1 of 1 Last

*State	Locality	Locality Name	Percent of Distribution	
IL <input style="width: 20px; border: none; border-bottom: 1px solid #ccc;" type="text"/>	<input style="width: 20px; border: none; border-bottom: 1px solid #ccc;" type="text"/>		100.000	<input type="button" value="+"/> <input type="button" value="-"/>

### Claim Reciprocity or IL Taxes?

If you have an employee that has completed the UW W-4 Supplemental form defining Illinois reciprocity, please let them be aware that the UW is registered with the State of Illinois if they wish to have IL taxable wage reporting and tax withholding.

If they would like to remain on reciprocity, they may do so. Otherwise, provide them with the link to the IL-W-4.