

KLLM Employees and Company Drivers

The new withholding tables for 2018 have been implemented for KLLM Transport Services, LLC. Please review your check and confirm that your 2018 withholding is correct. If you need to change your tax withholding, please use the 2017 W4 that is attached. The IRS has not published a 2018 reportable W4.

Please consult your tax advisor (tax preparer) for direction. If you choose to change your W4 withholding, please fill out the attached and email it to timesheet@kllm.com. KLLM Payroll Department cannot advise you on your tax filing.

The Internal Revenue Service (IRS) has issued the Federal 2018 income-tax withholding tables, which reflect the changes made by the tax reform bill signed into law on December 22. These updated tables include the new tax rates and income amounts for employers to use during the 2018 tax year. In accordance with IRS guidance, KLLM will begin using the new tax tables effective with your paychecks. You can review the entire IRS publication at [IRS Notice 1036: Income Tax Withholding](#).

Below are some FAQs regarding your payroll withholding taxes as part of the *Tax Cuts and Jobs Act of 2017*, which was signed into law on December 22.

Q. What is the Tax Cuts and Jobs Act of 2017?

A. Tax reform has been a key priority of Congress and President Trump in 2017, and the Tax Cuts and Jobs Act of 2017 ("Tax Reform Bill") represents the largest changes to the US tax system in over 30 years. These changes are largely focused on reducing the tax burden on individuals and companies. Core elements include reducing corporate, pass-through and individual tax rates and encouraging the "on-shoring" of profits and jobs to the United States.

Q. Will my paycheck be impacted as part of the Tax Reform Bill?

A. Unless you claimed exemption from Federal taxes, your Federal taxes on your paycheck will change based on the 2018 income-tax withholding tables issued by the IRS. These updated tables include the new tax rates and income amounts for employers to use during the 2018 tax year and reflect the changes made by the Tax Reform Bill.

Q. Are there changes to any other Federal payroll withholding taxes?

For social security, the tax rate is 6.2%, unchanged from 2017. The social security wage base limit is \$128,400. The Medicare tax rate is 1.45% and is also unchanged from 2017. There is no wage base limit for Medicare tax.

In addition to withholding Medicare tax at 1.45%, there is a 0.9% Additional Medicare Tax from wages in excess of \$200,000 in a calendar year.

Q. What is the effective date of the Tax Reform Bill?

A. The IRS requires employers to implement the tax withholding changes as soon as possible but no later than February 15, 2018. **This will affect your next payroll check.**

Q. Will the tax changes be retroactively applied to my paycheck?

A. No. There are no retroactive adjustments or refunds as part of the IRS guidance.