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January, 11th, 2019

Dear Client:

As the new year begins, we want to inform you of some changes.

A significant update has been made to the W-4 form that employees fill out to calculate the exemption used for tax withholdings. Employers will still be permitted to use prior Form W-4 for employees that don't complete a new 2019 W-4. But we are "strongly encouraging" ALL employees to complete a new IRS W-4 and OR W-4 for 2019 as soon as possible. Attached are copies of these new forms. To aid employees with filling out the new form, the IRS has provided updated instructions. This will ensure that the employee have the most accurate amount being withheld from their paycheck.

If we process your payroll, we ask that you update the W-4 for all employees and get us the updated information by February 15, 2019.

For those who process your own payroll, these changes will affect you:

- 1- The State of Oregon has sent out changes for the WBF (Workman's Benefit Fund) rate. This notification was sent out in October with your updated 2019 SUI rate. WBF has decreased from .028 to .024 (.012 employer, .012 employee split), beginning January 1, 2019. Make sure both are updated prior to beginning 2019 payroll.
- 2- The IRS updated the 2019 Social Security wage base to \$132,900.

If you have any questions please call our office at 503-667-2511 or email at firm@davisgraves.com.

Sincerely,

Steven G Stegeman
Certified Public Accountant/CGMA

Enclosures