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Treasury Department Directs Employers to Boost Paychecks of Working Americans

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U.S. DEPARTMENT OF THE TREASURY

Press Center

**Treasury Department Directs Employers to Boost Paychecks of Working Americans**

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***Secretary Geithner Praises IRS, Treasury Staff
for Quick Action to Implement President's Recovery Agenda***

Washington, DC – Four days after President Barack Obama signed the American Recovery and Reinvestment Act into law, the U.S. Department of the Treasury today began directing employers to reduce the amount of taxes withheld from the paychecks of millions of American workers – a step unprecedented in its speed and scope.

Under the law signed Tuesday by President Obama, 95 percent of all working families will realize a tax cut. By April 1st, the Making Work Pay credit, a key provision of the new law, will send the typical family home with at least \$65 more every month.

Treasury and the Internal Revenue Service (IRS) worked to develop withholding tables released today by the IRS to incorporate this credit and provide expedited guidance to employers on the new provision.

"Just days after the President signed this landmark legislation into law, we have the wheels turning to deliver much needed boosts to the paychecks of working Americans," said Treasury Secretary Tim Geithner. "I commend Commissioner Shulman and the IRS and Treasury staff for moving with exceptional speed to implement this key provision of the President's recovery agenda. The Treasury Department and its bureaus will continue to push to implement the Obama Administration's economic recovery plans."

The IRS posted the new withholding tables today on IRS.gov and will publish additional instructions related to the new tax law online next week. This publication will also be mailed to more than 9 million employers in mid-March. Employers are asked to start using the new tables as soon as possible but no later than April 1.

To view the tables and additional guidance on the Making Work Pay credit, please see IRS.gov.

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