

# How to complete a Paystub / Earnings Statement in Illinois

Bank-ready pay stub with automatic federal (IRS Pub 15-T), FICA, and state withholding, YTD totals, pre/post-tax deductions, employer contributions, and logo upload.

## What this form is for

Employers use this form to document wages paid to employees, including gross pay, all withholdings, deductions, and net pay, along with year-to-date totals. Lenders require recent pay stubs from business owners who pay themselves a W-2 salary to verify consistent income and proper payroll tax compliance.

## Before you start

- Current pay period dates and payment date for this stub
- Employee's gross wages for this period (salary, hourly rate times hours, or commission)
- Federal W-4 filing status and allowances from the employee's most recent Form W-4
- Illinois state withholding allowances from Form IL-W-4 if applicable
- Year-to-date totals for gross pay, federal income tax, Social Security, Medicare, Illinois state tax, and any pre-tax or post-tax deductions
- Details of any pre-tax deductions such as health insurance premiums, retirement contributions, or HSA deposits
- Details of any post-tax deductions like garnishments, union dues, or additional withholdings
- Employer contribution amounts for benefits if you want them displayed separately
- Your business logo file if you plan to upload one for a professional appearance

## Step-by-step

1. Enter your company name, address, and upload your logo if desired to brand the document.
2. Fill in employee information including full legal name, address, Social Security number (last four digits may be masked for privacy), and employee ID if you use one.
3. Input the pay period start and end dates, and the actual payment date for this paycheck.
4. Enter gross earnings for the period, breaking out salary, hourly wages, overtime, bonuses, or commissions as separate line items if applicable. The form will calculate total gross pay.
5. Input federal filing status from the employee's W-4. The system will auto-calculate federal income tax withholding using IRS Publication 15-T tables based on gross pay and filing status.
6. The form automatically computes Social Security tax at 6.2 percent of gross wages up to the annual wage base and Medicare tax at 1.45 percent of all wages. For high earners, additional Medicare tax of 0.9

percent applies over the threshold.

7. Enter Illinois state withholding allowances. The system calculates Illinois income tax withholding at the flat rate of 4.95 percent after applying allowances per Illinois Department of Revenue guidelines.

8. Add any pre-tax deductions such as health insurance, 401(k) contributions, or flexible spending accounts, which reduce taxable income before withholding calculations.

9. Add post-tax deductions like loan repayments or additional voluntary withholdings, which come out after taxes.

10. Review the auto-calculated net pay amount and verify all year-to-date totals are accurate and carry forward correctly from your previous pay period.

## What lenders look for

- Banks scrutinize consistency between pay stubs and tax returns, so ensure your documented salary matches what you report on your personal and business returns for at least two years.
- Missing or irregular YTD figures raise red flags; underwriters want clean progressive totals that prove ongoing employment and stable income rather than sporadic payments.
- Illinois lenders expect proper state withholding compliance, so verify your IL-W-4 elections match what is shown and that the 4.95 percent rate is applied correctly.