

W4 Changes for 2020



WEBINAR

2020 W4 Review

Friday, January 10, 2020

9:00 AM – 10:00 AM

<https://global.gotomeeting.com/join/435981853>

Please MUTE your phone after joining the conference call.

Thanks!

Phone Number: (646) 749-3122

Access Code: 435-981-853

Form W-4		Employee's Withholding Certificate		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. ▶ Give Form W-4 to your employer. ▶ Your withholding is subject to review by the IRS.		2020
Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number	
	Address			▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
	City or town, state, and ZIP code			
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly (or Qualifying widow(or)) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)			
Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.				

Related Information



- **12/20/2019**
 - Link to new form
 - Link to 2020 annual tax tables
 - New tax table instructions

- **12/23/2019**
 - Link to FAQs

- **1/7/2020**
 - Exemption change for FED table
 - Link to 2020 IRS publication 15-T

What's New



- **There are now two Federal tax tables**
 - FED
 - FED2020
- **All new employees must complete the 2020 W4 form.**
- **Existing employees with forms on file do not need to complete a new form.**
- **Existing employees who want to change their W4 information must use the new form.**

FED Tax Tables



- Update Exemption Amount
- Update Dollar Ranges
- Applies to:
 - Employees who completed form W4 prior to 2020
 - Employees who completed a 2020 W4 form but did not check box 2. No more exemption count on the new form.

Step 2:
**Multiple Jobs
or Spouse
Works**

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

- (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); or
- (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or
- (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld

TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

FED2020 Tax Table



- Create New Cost Code and Tax Type (12/20/19 Email attachment)
- Applies to:
 - Employees who complete a 2020 W4 form and check box 2.

Step 2:
Multiple Jobs
or Spouse
Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

- (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); or
- (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or
- (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld

TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income	4(a)	\$	
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b)	\$	
	(c) Extra withholding. Enter any additional tax you want withheld each pay period .	4(c)	\$	100.00

Changes to AUC to be installed before 1/15/2020



Employee Maintenance Tab 2

Tax Information

	Tax Type	Tax Table	Exemptions
Federal	FED	M	<input type="checkbox"/>
State	MA	SN	<input type="checkbox"/>
Other State			<input type="checkbox"/>

Tax Information

	Tax Type	Tax Table	Exemptions	Box 2c	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> N/A
Federal	FED	M	<input type="checkbox"/>	Box 2c	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
State	MA	SN	<input type="checkbox"/>	Box 3	<input type="text"/>
Other State			<input type="checkbox"/>	Box 4a	<input type="text"/>
				Box 4b	<input type="text"/>
				Box 4c	<input type="text"/>

2018 W4 Form



Nancy is an existing employee who completed a W4 form in 2018 and claims Married 1 exemption, plus \$50 additional federal tax per pay period on her deduction tab. She is paid 52 times a year.

Tax Information					
	Tax Type	Tax Table	Exemptions	Box 2c	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> N/A
Federal	<input type="text" value="FED"/>	<input type="text" value="M"/>	<input type="text" value="1"/>	Box 3	<input type="text"/>
State	<input type="text" value="MA"/>	<input type="text" value="SN"/>	<input type="text"/>	Box 4a	<input type="text"/>
Other State	<input type="text"/>	<input type="text"/>	<input type="text"/>	Box 4b	<input type="text"/>
				Box 4c	<input type="text"/>

2018 W4 Form



- Nancy is an existing employee who completed a W4 form in 2018 and claims Married 1 exemption, plus \$50 additional federal tax per pay period. She is paid 52 times a year.

Table 3

Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily
2	4	12	24	26	52	260

Step 1. Adjust the employee's wage amount

- 1a Enter the employee's total taxable wages this payroll period 1a \$ _____
- 1b Enter the number of pay periods you have per year (see Table 3) 1b _____
- 1c Multiply the amount on line 1a by the number on line 1b 1c \$ _____

If the employee **HAS NOT** submitted a Form W-4 for 2020 or later, figure the Adjusted Annual Wage Amount as follows:

- 1j Enter the number of allowances claimed on the employee's most recent Form W-4 1j _____
- 1k Multiply line 1j by \$4,300 1k \$ _____
- 1l Subtract line 1k from line 1c. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** 1l \$ _____

		Amount
Wages	Regular Pay	\$ 800.00
	Overtime	\$ 125.00
Deductions	Pretax Medical/Dental	\$ (86.00)
	457 Plan	\$ (100.00)
Benefits	Over 50K Life Insurance	\$ 5.62
	Weekly Federal Taxable	\$ 744.62
	Annualized Federal Taxable	\$ 38,720.24
	Exemptions x \$4,300	\$ (4,300.00)
FED	Annual Percentage Method <i>Standard Rate</i> Table Value	\$ 34,420.24
	Tax Table Amount of \$692.02 / 52	\$ 44.37
	Add \$50 additional tax to calculated tax	\$ 50.00
	Total Tax	\$ 94.37

2020 W4 – Box 2c is not checked



Nancy completed a 2020 W4 form and claimed Married. She did not check box 2c. She is paid 52 times a year. Box 4c is \$50.00

**Step 2:
Multiple Jobs
or Spouse
Works**

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

- (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); **or**
- (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; **or**
- (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld

TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

**Step 4
(optional):
Other
Adjustments**

- (a) **Other income (not from jobs).** If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income
- (b) **Deductions.** If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here
- (c) **Extra withholding.** Enter any additional tax you want withheld each **pay period**

4(a)	\$	
4(b)	\$	
4(c)	\$	50.00

2020 W4 – Box 2c is not checked



Tax Information

	Tax Type	Tax Table	Exemptions	Box 2c	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> N/A
Federal	<input type="text" value="FED"/>	<input type="text" value="M"/>	<input type="checkbox"/>	Box 3	<input type="text"/>
State	<input type="text" value="MA"/>	<input type="text" value="SN"/>	<input type="checkbox"/>	Box 4a	<input type="text"/>
Other State	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	Box 4b	<input type="text"/>
				Box 4c	<input type="text" value="50.00"/>

2020 W4 – Box 2c is not checked



Table 3

Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily
2	4	12	24	26	52	260

Step 1. Adjust the employee's wage amount

- 1a Enter the employee's total taxable wages this payroll period 1a \$ _____
- 1b Enter the number of pay periods you have per year (see Table 3) 1b _____
- 1c Multiply the amount on line 1a by the number on line 1b 1c \$ _____

If the employee **HAS** submitted a Form W-4 for 2020 or later, figure the Adjusted Annual Wage Amount as follows:

- 1d Enter the amount from Step 4(a) of the employee's Form W-4 1d \$ _____
- 1e Add lines 1c and 1d 1e \$ _____
- 1f Enter the amount from Step 4(b) of the employee's Form W-4 1f \$ _____
- 1g If the box in Step 2 of Form W-4 is checked, enter -0-. If the box is not checked, enter \$12,900 if the taxpayer is married filing jointly or \$8,600 otherwise 1g \$ _____
- 1h Add lines 1f and 1g 1h \$ _____
- 1i Subtract line 1h from line 1e. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** 1i \$ _____

Wages	Regular Pay	\$ 800.00
	Overtime	\$ 125.00
Deductions	Pretax Medical/Dental	\$ (86.00)
	457 Plan	\$ (100.00)
Benefits	Over 50K Life Insurance	\$ 5.62
	Weekly Federal Taxable	\$ 744.62
	Annualized Federal Taxable	\$ 38,720.24
	Married Filing Jointly (otherwise \$8600)	\$ (12,900.00)
FED	Annual Percentage Method Standard Rate Table Value	\$ 25,820.24
	Calculated Tax	\$ 26.77
	Add box 4c amount of \$50 to calculated tax	\$ 50.00
	Total Tax	\$ 76.77

2020 W4 – Box 2c is checked



- Nancy completed a 2020 W4 form and claims Married. She checked box 2c. She is paid 52 times a year.

Step 2: Multiple Jobs or Spouse Works	<p>Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.</p> <p>Do only one of the following.</p> <p>(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); or</p> <p>(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or</p> <p>(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld <input checked="" type="checkbox"/></p> <p>TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.</p> <p>Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)</p>
Step 3: Claim Dependents	<p>If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):</p> <p>Multiply the number of qualifying children under age 17 by \$2,000 ► \$ 4000</p> <p>Multiply the number of other dependents by \$500 ► \$</p> <p>Add the amounts above and enter the total here 3 \$ 4000</p>
Step 4 (optional): Other Adjustments	<p>(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income 4(a) \$ 20000</p> <p>(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here 4(b) \$ 1200</p> <p>(c) Extra withholding. Enter any additional tax you want withheld each pay period 4(c) \$ 50</p>

2020 W4 – Box 2c is checked



Tax Information

	Tax Type	Tax Table	Exemptions	Box 2c	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A
Federal	FED2020	M	<input type="checkbox"/>	Box 3	4,000.00
State	MA	SN	<input type="checkbox"/>	Box 4a	20,000.00
Other State			<input type="checkbox"/>	Box 4b	1,200.00
				Box 4c	50.00

2020 W4 – Box 2c is checked



Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily
2	4	12	24	26	52	260

Step 1. Adjust the employee's wage amount

- 1a Enter the employee's total taxable wages this payroll period 1a \$ _____
- 1b Enter the number of pay periods you have per year (see Table 3) 1b _____
- 1c Multiply the amount on line 1a by the number on line 1b 1c \$ _____

If the employee **HAS** submitted a Form W-4 for 2020 or later, figure the Adjusted Annual Wage Amount as follows:

- 1d Enter the amount from Step 4(a) of the employee's Form W-4 1d \$ _____
- 1e Add lines 1c and 1d 1e \$ _____
- 1f Enter the amount from Step 4(b) of the employee's Form W-4 1f \$ _____
- 1g If the box in Step 2 of Form W-4 is checked, enter -0-. If the box is not checked, enter \$12,900 if the taxpayer is married filing jointly or \$8,600 otherwise 1g \$ _____
- 1h Add lines 1f and 1g 1h \$ _____
- 1i Subtract line 1h from line 1e. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** 1i \$ _____

Step 2. Figure the Tentative Withholding Amount

based on the employee's Adjusted Annual Wage Amount; filing status (Step 1(c) of the 2020 Form W-4) or marital status (line 3 of Form W-4 from 2019 or earlier); and whether the box in Step 2 of 2020 Form W-4 is checked.

Note. Don't use the Head of Household table if the Form W-4 is from 2019 or earlier.

- 2a Enter the employee's **Adjusted Annual Wage Amount** from line 1i or 1l above 2a \$ _____
- 2b Find the row in the appropriate **Annual Percentage Method** table in which the amount on line 2a is at least the amount in column A but less than the amount in column B, then enter here the amount from column A of that row 2b \$ _____
- 2c Enter the amount from column C of that row 2c \$ _____
- 2d Enter the percentage from column D of that row 2d _____ %
- 2e Subtract line 2b from line 2a 2e \$ _____
- 2f Multiply the amount on line 2e by the percentage on line 2d 2f \$ _____
- 2g Add lines 2c and 2f 2g \$ _____
- 2h Divide the amount on line 2g by the number of pay periods on line 1b. This is the **Tentative Withholding Amount** 2h \$ _____

Step 3. Account for tax credits

- 3a If the employee's Form W-4 is from 2020, enter the amount from Step 3 of that form; otherwise enter -0- 3a \$ _____
- 3b Divide the amount on line 3a by the number of pay periods on line 1b 3b \$ _____
- 3c Subtract line 3b from line 2h. If zero or less, enter -0- 3c \$ _____

Step 4. Figure the final amount to withhold

- 4a Enter the additional amount to withhold from the employee's Form W-4 (Step 4(c) of the 2020 form or line 6 on earlier forms) 4a \$ _____
- 4b Add lines 3c and 4a. **This is the amount to withhold from the employee's wages this pay period** 4b \$ _____

2020 W4 – Box 2c is checked



Tax Information		Tax Type	Tax Table	Exemptions	Box 2c	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A
Federal		FED2020	M	<input type="checkbox"/>	Box 3	4,000.00
State		MA	SN	<input type="checkbox"/>	Box 4a	20,000.00
Other State				<input type="checkbox"/>	Box 4b	1,200.00
					Box 4c	50.00

Wages	Regular Pay	\$ 800.00
	Overtime	\$ 125.00
Deductions	Pretax Medical/Dental	\$ (86.00)
	457 Plan	\$ (100.00)
Benefits	Over 50K Life Insurance	\$ 5.62
	Weekly Federal Taxable	\$ 744.62
	Annualized Federal Taxable	\$ 38,720.24
	Add Box 4a Other Income	\$ 20,000.00
	Subtract Box 4b Other Deductions	\$ 1,200.00
FED2020	Annual Percentage Method Table Value	\$ 57,520.24
	Calculated Tax	\$ 100.33
	Subtract Box 3 amount / pay periods (\$4,000 / 52)	\$ 76.92
	Adjusted Tax	\$ 23.41
	Add box 4c amount of \$50 to calculated tax	\$ 50.00
	Total Tax	\$ 73.41

Great Resource



<https://www.irs.gov/pub/irs-pdf/p15t.pdf>



Department of the Treasury
Internal Revenue Service

Publication 15-T
Cat. No. 32112B

Federal Income Tax Withholding Methods

For use in **2020**

Contents

Introduction	1
1. Percentage Method Tables for Automated Payroll Systems	5
2. Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later	7
3. Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2019 or Earlier	22
4. Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later	51
5. Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2019 or Earlier	57
6. Alternative Methods for Figuring Withholding	61
7. Tables for Withholding on Distributions of Indian Gaming Profits to Tribal Members ...	62
How To Get Tax Help	64

Remember



- For W4 forms completed in 2020 or after, the additional federal amount is now on screen 2 instead of on the employee's deduction/benefit tab. Be sure to check there if an employee provides a new W4 form.

News – HR Portal



ADMINS mentioned a plan for an employee/retiree portal during our annual site visits. “self-serve”

- A web hosted application for
 - Checks
 - W2 forms
 - 1095-C forms
 - HR designated forms
 - HR Notices

Please let us know if your municipality is interested in this new offering.