

**AMERICAN  
PAYROLL  
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# **Form W-4 and Tax Updates**

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## IRS Releases Draft 2020 Form W-4 and Employer Instructions for Public Comment

On June 7, the IRS released a draft of the 2020 Form W-4, *Employee's Withholding Allowance Certificate*, see page 12, and a draft of the new 2020 Publication 15-T, *Federal Income Tax Withholding Methods* (<https://www.irs.gov/pub/irs-dft/p15t--dft.pdf>), to comply with the income tax withholding requirements of the Tax Cuts and Jobs Act (TCJA) [IR-2019-98, 5-31-19].

### Notable changes in the draft form

*Step-by-step process.* The draft contains five steps for employees to complete (or to skip if they are not applicable). These steps are explained later.

The draft includes an Employers Only section for the employer's name, address, and employer identification number when the IRS requests copies. Employers can also include the employee's first date of employment, which can help the employer use the form for new hire reporting.

*No more withholding allowances.* To comply with the TCJA, the draft form no longer uses the concept of withholding allowances but includes lines to be used to calculate the withholding amount. The IRS said the change is because the TCJA removed personal exemptions, on which withholding allowances were based, as a central feature of the tax code. One addition is a head of household filing status option.

*Multiple jobs.* The IRS instructs employees in households with multiple jobs to use either the IRS estimator or Multiple Jobs Worksheet on page 3 of the form. Employees in households with only two jobs may check a box indicating this status rather than working through additional calculations. This box should be checked on the Form W-4 for both jobs. However, the IRS cautions that doing so may result in more tax than necessary being withheld, but generally should not result in too little tax being withheld.

*Additional worksheets.* The draft includes two worksheets and a table for employees with multiple jobs (higher and lower paying jobs).

- Multiple Jobs Worksheet is for employees who do not want to use the IRS withholding calculator or use the checkbox to indicate two jobs in the household. The IRS said withholding would be most accurate if the employee enters the result for the highest paying job.
- Deductions Worksheet is for employees who will claim itemized deductions (qualifying home mortgage interest, charitable contributions, or state and local taxes (up to \$10,000), and medical expenses (in excess of 10% of income).

## Exemption from Withholding

You may claim exemption from withholding for 2020 if you meet both of the following conditions: you owed no federal tax in 2019 and you expect to owe no federal income tax in 2020. You owed no federal income tax in 2019 if your total tax on line 16 on your 2019 Form 1040 is zero or if line 16 is less than the refundable credits on the total of lines 18a, 18b, and 18c. You expect to owe no federal income tax in 2020 if you expect the same result in 2020. If you claim exemption, you will have no income tax withheld from your paycheck and may owe taxes and penalties when you file your 2020 tax return. **To claim exemption from withholding, certify that you meet both of the conditions above by writing “Exempt” on Form W-4 in the space below Step 4(c) and complete Steps 1 and 5.** Do not complete any other steps on Form W-4. If you claim an exemption from withholding, you will need to submit a new Form W-4 by February 16, 2021.

## What to do now

Employers should continue to use the 2019 Form W-4. The IRS reminded employers “that this draft Form W-4 is not for current use, but is a draft of the form to be used starting in 2020.”

Employees who submitted a Form W-4 in any year before 2020 will not be required to submit a new form merely because of the redesign. Employers can continue to compute withholding based on the information from the employee’s most recently submitted Form W-4.

## FAQs on the draft form

The IRS published 20 frequently asked questions (FAQs) and their answers for the draft form (<https://www.irs.gov/newsroom/faqs-on-the-early-release-of-the-2020-form-w-4>). Six questions are for employers:

- 1. Will our software need two systems: one for forms submitted before 2020 and another for forms submitted after 2019?**
  - A.** Not necessarily. The same set of withholding tables will be used for both sets of forms. You can apply these tables separately to systems for new and old forms. Or, rather than having two separate systems, you may prefer to use a single system based on the redesigned form. To do this, you could enter zero or leave blank information from old forms for the data fields that capture the information on the redesigned form but was not provided to you under the old design. Additional guidance will be provided on the payroll calculations needed based on the data fields on the new and old forms.

## **2. How do I treat employees hired after 2019 who do not submit a Form W-4?**

- A. New employees who fail to submit a Form W-4 after 2019 will be treated as a single filer with no other adjustments. This means that a single filer's standard deduction with no other entries will be taken into account in determining withholding. The IRS anticipates issuing guidance consistent with this approach.

## **3. Are employees hired after 2019 required to use the redesigned form?**

- A. Yes. Beginning in 2020, all new employees must use the redesigned form. Similarly, any employees hired prior to 2020 who wish to adjust their withholding must use the redesigned form.

## **4. What about employees hired prior to 2020 who want to adjust withholding from their pay dated January 1, 2020, or later?**

- A. Employees must use the redesigned form.

## **5. May I ask all of my employees hired before 2020 to submit new Forms W-4 using the redesigned version of the form?**

- A. Yes. You may ask, but as part of the request you should explain that: (1) they are not required to submit a new Form W-4, and (2) if they do not submit a new Form W-4, withholding will continue based on a valid form previously submitted.

For those employees who furnished forms before 2020 and who do not furnish a new one after 2019, you must continue to withhold based on the forms previously submitted. You are not permitted to treat employees as failing to furnish Forms W-4 if they do not furnish a new Form W-4. Note that special rules apply to Forms W-4 claiming exemption from withholding.

## **6. Will there still be an adjustment for nonresident aliens?**

- A. Yes. The IRS will provide instructions in Publication 15-T, Federal Income Tax Withholding Methods, on the additional amounts that should be added to wages to determine withholding for nonresident aliens. Additionally, nonresident alien employees should continue to follow the special instructions in Notice 1392, *Supplemental Form W-4 Instructions for Nonresident Aliens*, when completing their Forms W-4.

### **APA comments**

APA's Government Relations Task Force IRS Issues Subcommittee submitted comments on the draft 2020 Form W-4 and Publication 15-T on June 28. These comments are available from the Government Relations page on the APA website: <https://www.americanpayroll.org/docs/default-source/government-relations/19g02-Draft-2020-w-4-15-t.pdf>

## **Employer instructions**

The new Publication 15-T allows employers to figure income tax withholding under the Percentage Method and Wage Bracket Method tables using both the new 2020 Form W-4 and previous versions of Forms W-4. Although the calculation of withholding for Forms W-4 submitted prior to 2020 is unchanged, Publication 15-T describes how to compute withholding for 2020 and earlier Forms W-4 as one procedure.

## **No more withholding allowances**

One of the biggest changes, beginning with the 2020 Form W-4, is that employees will no longer be able to request adjustments to their withholding using withholding allowances. Instead, employees will use the new Form W-4 to provide employers with amounts to increase or reduce taxes and amounts to increase or decrease the amount of wage income subject to income tax withholding.

The draft Form W-4 no longer uses the concept of withholding allowances but includes lines to be used to calculate the withholding amount. The IRS said the change is because the TCJA removed personal exemptions, on which withholding allowances were based, as a central feature of the tax code.

The new *Employer's Withholding Worksheet* in Publication 15-T, see page 15, will allow employers to figure withholding regardless of whether the employee provided a Form W-4 in an earlier year or the new 2020 Form W-4.

## **Steps to figure withholding**

*For employees.* The 2020 Form W-4 is now broken up into five steps for employees to complete (or to skip if they are not applicable): (1) enter personal information; (2) account for multiple jobs; (3) claim dependents; (4) make other adjustments (optional); and (5) sign and date under penalties of perjury.

Steps one and five are required. Employees will complete steps 2, 3, and 4 only if relevant to their personal situation. Adjustments on steps 2, 3, and 4 will affect withholding calculations.

*For employers.* Here are the steps employers will follow, based on employee entries on Form W-4.

**Employees who only complete steps 1 and 5.** When employees only complete steps 1 and 5, employers will withhold using the appropriate method based on the filing status and wage amounts.

**For employees completing one or more additional steps, adjustments are as follows.**

- *Step 2.* When an employee checks the box on Line 2 to account for multiple jobs, the employer will figure withholding from the higher rate Percentage Method or Wage Bracket Method tables, which will mean higher withholding. If the employee chooses one of the other two alternatives, the additional withholding will be included with any other additional tax amounts per pay period in step 4, Line 4c.
- *Step 3.* Employers will use the amount entered by employees on Line 3 to claim their dependents as an annual reduction of tax. Employers should use the amount entered on Line 3 even if it is not equal to the sum of any amounts entered by employees on the left in step 3 because Line 3 may be used to take into account other tax credits. The instructions suggest that if an employee leaves Line 3 blank and enters amounts on the left in step 3, the employer should consider asking the employee to enter an amount on Line 3 (even if it is a zero).
- *Step 4.*
  - Line 4a. Employers will increase the annual amount of wages subject to withholding by the annual amount shown
  - Line 4b. Employers will reduce the annual amount of wages subject to withholding by the annual amount shown.
  - Line 4c. Employers will increase withholding by the per pay period tax amount.
  - Line 4d is where employees can claim an exemption from withholding.

## **Employer's Worksheet and Withholding Tables**

Adjustments for an employer to figure withholding for Forms W-4 submitted in 2020 and in an earlier year are described in more detail in the *Employer's Withholding Worksheet*, see page 15. The revised Percentage Method and Wage Bracket Method tables will be used for all Forms W-4. There are now tables for three filing statuses: married filing jointly, single, and head of household.

Both withholding method tables are divided into two rates:

- Standard (to be used with Forms W-4 before 2020 and for 2020 and later Forms W-4 where the box in step 2 is not checked, and
- Higher (to be used with Forms W-4 2020 or later where the box in step 2 is checked).

*Caution:* The tables in the draft and the \$4,200 amount on Lines 1e and 1m of the Employer's Withholding Worksheet are based on the 2019 withholding amounts and are for programming and testing only. Once the 2020 amounts are available in November, they will be included in Notice 1036, *Early Release Copies of the Percentage Method Tables for Income Tax Withholding*, and in the final version of 2020 Publication 15-T.

## Using the Employer's Withholding Worksheet

The worksheet has four steps:

- *Step 1. Adjust the employee's wage amount.*
  - Lines 1a-1c are used to calculate the employee's annual wage amount (amount of wages this period multiplied by the number of pay periods).
  - Lines 1d-1k are used to determine the adjusted wage amount for an employee who submitted a Form W-4 for 2020 or later.
    - 1d If the check box is marked in Step 2:  
Enter 0, use HIGHER Withholding Rate Schedules  
(on right side of tax table)  
  
If the check box is not marked in Step 2:  
Enter 2 for single or married filing separately  
Enter 3 for married filing jointly or head of household  
Use STANDARD Withholding Rate Schedules  
(on the left side of tax table)
  - Lines 1l-1o are used to determine the adjusted wage amount for an employee who has not submitted a Form W-4 for 2020 or later.
    - Skip lines 1d to 1k
    - If Married: use Married Filing Jointly tables
    - If Single or Married, but withhold at higher Single rate: use Single tables
- *Step 2. Figure the tentative withholding amount. The tentative withholding amount is calculated based on the employee's adjusted per pay period wage amount or adjusted annual wage amount, filing status (Box 1c of the 2020 Form W-4 or Line 3 on previous forms), and whether the employee checked the box in Step 2 of the 2020 Form W-4 (to be withheld at a higher rate).*
  - Wage Bracket Method. Lines 2a-b are used to determine the tentative withholding amount.
  - Percentage Method. Lines 2c-j are used to determine the tentative withholding amount.
- *Step 3. Account for tax credits.*
  - Lines 3a-d will be used to account for certain tax credits (claimed by the employee in step 3 of the 2020 Form W-4)
  - If calculating for an earlier version of Form W-4, the tentative withholding amount should not change because tax credits were converted to allowances on those earlier versions.

- **Step 4.** Figure the final amount to withhold.
  - Line 4a is for any additional withholding amount requested by the employee (Line 4c of the draft 2020 Form W-4 or later; Line 6 of earlier versions of Form W-4).
  - Line 4b: Add Lines 3d and 4a to calculate the withholding amount for the pay period.

## **Draft 2020 Form W-4 Scenarios**

Fred's biweekly salary is \$3,500.00, see calculation details for each scenario on page 19. NOTE: When the box in Step 2 is marked, you MUST use the right side of the tax tables. Otherwise, you use the left side of the tax tables.

*Scenario #1.* Fred Smith does not complete a new 2020 Form W-4, see page 16. On his 2019 Form W-4, Fred claims Married with 5 allowances. So on the Pub 15-T, *Employer's Withholding Worksheet*, we skip lines 1d – 1k, jumping from 1c to 1l. And since we are using the percent method, we can skip lines 2a and 2b. With earlier forms, if the status is Single or Married, but withhold at the higher Single rate, we use the Single table with the STANDARD Withholding Rate Schedules. If Married, we use the Married Filing Jointly table with the STANDARD Withholding Rate Schedules. The withholding calculation for Fred is \$253.69 per pay period.

*Scenario #2.* Fred Smith completes the 2020 Form W-4 but does not mark the box in Step 2 or complete Steps 3 or 4, see page 17. On the Pub 15-T, *Employer's Withholding Worksheet*, we skip lines 1l-1o. We also can skip lines 2a and 2b since we are using the percentage tables. Because Fred did not mark the box in Step 2, we will use the STANDARD Withholding Rate Schedules. Fred's withholding calculation is \$292.46 per pay period.

*Scenario #3.* Fred Smith completes the 2020 Form W-4, marks the box in Step 2, and completes Steps 3 and 4, see page 18. The amounts on his form are:

Step 3 = \$6,500.00  
 Step 4a = \$26,000.00  
 Step 4b = \$2,600.00  
 Step 4c = \$100.00

Skipping lines 2a and 2b, we use the HIGHER Withholding Rate Schedules since Fred marked the box in Step 2. The resulting withholding for Fred is \$569.33 per pay period.



## IRS Tax Withholding Estimator Updated for 2019

The IRS encourages employees to use its tax withholding estimator, at [www.irs.gov/w4App](http://www.irs.gov/w4App), to make sure their federal income tax withholding is in line with the changes made by the TCJA. Employees checking their withholding can help protect against having too little or too much tax withheld. In February 2018, the IRS updated the withholding calculator to account for changes made by the TCJA. The calculator was updated again on August 6, 2019.

**What is the tax withholding estimator?** It is a tool on [IRS.gov](http://IRS.gov) to help employees determine how to have the right amount of tax withheld from their paychecks. It is a more accurate alternative to the worksheets that accompany the Form W-4. It has been updated to reflect the tax law changes in the TCJA. When taxpayers use the withholding calculator, it will help them determine if they need to adjust their withholding and submit a new Form W-4 to their employer. Those employees who use the withholding calculator do not have to also use the worksheets on Form W-4.

**Who should use the tax withholding estimator?** The following employees with more complicated financial situations might need to revise their Forms W-4:

- Two-income families
- Those who have two or more jobs at the same time or who only work for part of the year
- Those who claim the Child Tax Credit
- Those who itemized deductions in 2018
- Those with high incomes and more complex tax returns

Taxpayers with even more complex situations might need to use Publication 505, *Tax Withholding and Estimated Tax*, instead of using the withholding calculator.

## IRS Tax Withholding Estimator FAQs

With the release of the estimator, the IRS provided several frequently asked questions (FAQs). While they relate to the 2018 tax year, they are still relevant in 2019

Here are some of the questions and answers. Be sure to check the FAQs at <https://www.irs.gov/newsroom/withholding-calculator-frequently-asked-questions>:

### 1. Should all employees check their withholding?

**A:** Yes. Employees should check their withholding at the beginning of each year or when their personal circumstances change.

### 2. Why should I check on my withholding?

**A:** The IRS always recommends employees check their withholding each year to make sure they're having the right amount of tax withheld from their paychecks.

### 3. What are the penalties for underwithholding?

**A:** By law, an estimated tax penalty usually applies when a taxpayer pays too little of their total tax during the year.

### 4. How does someone determine how many allowances they should claim on their Form W-4?

**A:** The Withholding Calculator will help employees determine that.

### 5. Can my payroll office or human resources department help me understand these tax law changes or use the withholding calculator?

**A:** It's a taxpayer's responsibility to check their withholding and determine if it's accurate for their personal situation.

## Federal Tax Reform Impacts State Income Tax

Because of the way states define taxable income, exemptions, and deductions, the changes enacted by the TCJA impact state income tax withholding in many states.

According to the Tax Foundation's *Tax Reform Moves to the States: State Revenue Implications and Reform Opportunities Following Federal Tax Reform*, states would be impacted differently based on their adoption of certain federal definitions.

- **Taxable income.** States that use the federal definition of taxable income (Colorado, Idaho, Minnesota, North Dakota, Oregon, South Carolina, and Vermont) saw the TCJA changes to the standard deduction and personal exemptions directly impact the state's definition of taxable income and state income tax. Vermont subsequently changed its definition from taxable income to federal adjusted gross income (AGI).
- **Personal exemption.** States that conform to the federal personal exemption definition prior to the TCJA (Colorado, Idaho, Maine, Missouri, New Mexico, North Dakota, South Carolina, and Vermont) saw the suspension of the personal exemption beginning January 1, 2018. Maine, South Carolina, and Vermont subsequently amended their tax codes to retain personal exemptions.
- **Standard deduction.** States that use the federal definition of standard deduction (Colorado, Idaho, Missouri, New Mexico, North Dakota, South Carolina, and Vermont) saw the state standard deduction amounts increase to the federal amount on January 1, 2018. Vermont changed to a state-defined standard deduction beginning in 2018.

The conformity of the state's income tax law must also be considered. If a state conforms to the Internal Revenue Code (IRC) before December 22, 2017, the state's income tax laws do not consider the TCJA's changes. State income tax laws conforming to the IRC as effective on December 22, 2017 or later take into account the TCJA's changes.

Nineteen states follow the current version of the IRC: Alabama, Colorado, Connecticut, Delaware, District of Columbia, Illinois, Kansas, Louisiana, Maryland, Missouri, Montana, Nebraska, New Mexico, New York (see the table below), North Dakota, Oklahoma, Pennsylvania (but not for §§401(k) and 125 plans), Rhode Island, and Utah.

The following table shows which states follow the IRC as of a fixed date. The chart also shows which states make no reference to the federal IRC. As more federal guidance is made available, more states may make their own guidance available about how the federal changes will impact employers at the state level.

<b>State</b>	<b>Follows Federal Law on a Specific Date</b>
AZ	Follows the IRC effective in 1986 and amended through January 1, 2017.
AR	Follows the IRC effective in 1986 and amended through January 1, 2017, with some exceptions.
CA	Follows the IRC as amended and effective as of January 1, 2015.
GA	Follows the IRC effective in 1986 and amended through February 9, 2018.
HI	Follows the IRC effective in 1986 and amended through February 9, 2018. However, HI decoupled qualified moving expenses, continuing the exclusion from HI IT.
ID	Follows the IRC effective in 1986 and amended through January 1, 2018.
IN	Follows the IRC effective in 1986 and amended through February 11, 2018.
IA	Follows the IRC effective in 1986 and amended through March 24, 2018 (eff. 1-1-20, follows the current version of the IRC)
KY	Follows the IRC effective on December 31, 2017.
ME	Follows the IRC effective on March 23, 2018.
MA	Follows the IRC as amended on January 1, 2005, for wage inclusion purposes. Follows the current version of the IRC for withholding purposes and for the treatment of qualified plans and certain other tax-favored retirement plans.
MI	Follows the IRC effective in 1986 and amended through January 1, 2018.
MN	Follows the IRC effective in 1986 and amended through December 16, 2016.
MS	No reference to the IRC.
NJ	No reference to the IRC.
NC	Follows the IRC effective on February 9, 2018, including any provisions enacted as of that date which became effective on a later date.
NY	Technically NY conforms with the current version of the IRC, however NY decoupled from the IRC in certain areas such as qualified moving expenses which are not subject to NY IT.

State	Follows Federal Law on a Specific Date
OH	Follows the IRC effective March 30, 2018, suspending the exclusion from income for employer-provided moving expenses.
OR	Follows the IRC as amended and effective as of December 31, 2017.
SC	Follows the IRC effective in 1986 and amended through February 9, 2018.
VT	Follows the IRC effective in 1986 and amended through December 31, 2017.
VA	Follows the IRC as amended and effective as of December 31, 2018, with certain exceptions.
WV	Follows the IRC effective in 1986 and amended through December 31, 2017.
WI	Follows the IRC effective in 1986 and amended through December 31, 2017.

**Example:** As shown in the table above, California follows the IRC as of January 1, 2015. So, California still provides an exclusion from employees' income for items that were suspended by the TCJA (e.g., moving expenses), and it follows the pre-TCJA definition of the standard deduction and personal exemptions.

### **State W-4 Forms**

Employees may want to update their state employee withholding allowance forms, due to the changes previously described. It is important to note that while the federal form may be acceptable, the state form may be required under certain circumstances, so check the state's tax website for more information. Also, be advised that states may revise and modify their forms in the coming year.

**NOTE:** Due to changes to federal and state tax laws, some states will only accept the federal form W-4 for a certain year – so be sure to check state regulations.

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# Employee's Withholding Certificate

▶ **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**

<b>Step 1:</b> <b>Enter Personal Information</b>	(a) First name and middle initial _____	Last name _____	(b) Social security number _____
	Address _____		▶ <b>Does your name match the name on your social security card?</b> If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to <a href="http://www.ssa.gov">www.ssa.gov</a> .
	City or town, state, and ZIP code _____		
	(c) <input type="checkbox"/> <b>Single or Married filing separately</b> <input type="checkbox"/> <b>Married filing jointly</b> (or Qualifying widow(er)) <input type="checkbox"/> <b>Head of household</b> (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 through 4 ONLY if they apply to you.** To see if you are exempt from withholding or if you have concerns about your privacy, see page 2. Everyone must complete Step 5. See instructions on page 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](http://www.irs.gov/W4App) for most accurate withholding; **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 . . . . . ▶

**CAUTION:** If you have privacy concerns, choose (a) or (b). If you and/or your spouse have income from self-employment, including as an independent contractor, choose (a).

**Complete Steps 3 through 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 through 4(b) on the Form W-4 for the highest paying job.)

<b>Step 3:</b> <b>Claim Dependents</b>	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):  Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ _____  Multiply the number of other dependents by \$500 . . . . . ▶ \$ _____  Add the amounts above and enter the total here . . . . . <b>3</b> \$ _____		
<b>Step 4 (optional): Other Adjustments</b>	(a) <b>Other income.</b> 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. You should not include income from any jobs . . . . .	<b>4(a)</b>	\$ _____
	(b) <b>Deductions.</b> 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 . . . . .	<b>4(b)</b>	\$ _____
	(c) <b>Extra withholding.</b> Enter any additional tax you want withheld each <b>pay period</b> . . . . .	<b>4(c)</b>	\$ _____

<b>Step 5:</b> <b>Sign Here</b>	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.		
	▶ _____ <b>Employee's signature</b> (This form is not valid unless you sign it.)		▶ _____ <b>Date</b>

<b>Employers Only</b>	Employer's name and address _____	First date of employment _____	Employer identification number (EIN) _____
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## General Instructions

### Future Developments

For the latest information about developments related to Form W-4, such as legislation enacted after it was published, go to [www.irs.gov/FormW4](http://www.irs.gov/FormW4).

### Purpose of Form

Complete this withholding allowance certificate so that your employer can withhold the correct federal income tax from your pay. If too little is withheld, generally you will owe tax when you file your tax return and may owe a penalty. If too much is withheld, generally you will be due a refund.

Complete a new Form W-4 when changes to your personal or financial situation would change the entries on the form. For more information on withholding and when you must furnish a new Form W-4, see Pub. 505.

**Exemption from withholding.** You may claim exemption from withholding for 2020 if you meet both of the following conditions: you owed no federal tax in 2019 **and** you expect to owe no federal income tax in 2020. You owed no federal income tax in 2019 if your total tax on line 16 on your 2019 Form 1040 is zero or if line 16 is less than the refundable credits on the total of lines 18a, 18b, and 18c. You expect to owe no federal income tax in 2020 if you expect the same result in 2020. If you claim exemption, you will have no income tax withheld from your paycheck and may owe taxes and penalties when you file your 2020 tax return. To claim exemption from withholding, certify that you meet both of the conditions above by writing "Exempt" on Form W-4 in the space below Step 4(c) and complete Steps 1 and 5. Do not complete any other steps on Form W-4. If you claim an exemption from withholding, you will need to submit a new Form W-4 by February 16, 2021.

### Your Privacy

If you want additional withholding and are concerned about your privacy in Steps 2 and/or 4(a), you may check the box in Step 2(c) or enter an additional amount you want withheld per pay period in Step 4(c).

**When to use the estimator.** Consider using the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) if you:

1. Expect to work only part of the year;
2. Have dividend or capital gain income or are subject to additional taxes, such as the net investment income tax;
3. Have self-employment income (see below);
4. Prefer the most accurate withholding for multiple job situations; or
5. Prefer to limit information provided in Steps 2 through 4 but don't want to sacrifice accuracy.

**Self-employment.** Generally, you will owe both income and self-employment taxes on any self-employment income you receive separate from the wages you receive as an employee. If you want to pay these taxes through withholding from your wages, use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to figure the amount to have withheld.

**Nonresident alien.** If you're a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

## Specific Instructions

**Step 1(c).** Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

**Step 2.** Use this step if you have more than one job at the same time or are married filing jointly and you and your spouse both work.

Consider checking the box in Step 2 if there are only two jobs in the household. The standard deduction and tax brackets will be divided equally between the two jobs.



**Multiple job households.** Complete Steps 3 through 4(b) on only one Form W-4 in the household. Withholding will be most accurate if you do this on the Form W-4 for the highest paying job.

**Step 3.** Step 3 of Form W-4 provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 972, Child Tax Credit and Credit for Other Dependents. You can also include **other tax credits** in this step, such as education tax credits and the foreign tax credit. To do so, add an estimate of the amount for the year to your credits for dependents and enter the total amount in Step 3. Including these credits will increase your paycheck and reduce the amount of any refund you may receive when you file your tax return.

### Step 4 (optional).

**Step 4(a).** Enter in this step the total of your other estimated income for the year, if any. You shouldn't include income from any jobs. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than having tax on other income withheld from your paycheck, see Form 1040-ES, Estimated Tax for Individuals.

**Step 4(b).** Enter in this step the amount from the Deductions Worksheet, line 5, if you expect to claim deductions other than the basic standard deduction on your 2020 tax return and want to reduce your withholding to account for these deductions. This includes both itemized deductions and other deductions such as for student loan interest and IRAs.

**Step 4(c).** Enter in this step any additional tax you want withheld from your pay **each pay period**, including any amounts from the Multiple Jobs Worksheet, line 4. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.

Multiple Jobs Worksheet (Keep for your records.)



Use this worksheet if you choose the option in Step 2(b) on Form W-4. Complete this worksheet for only one of the jobs in the household and enter the result on the Form W-4 for that job. Withholding will be most accurate if you enter the result on the Form W-4 for the highest paying job.

Note: If more than one job has annual wages of more than \$99,000 or there are more than three jobs, see Pub. 505 for additional tables; or, you can use the online withholding estimator at www.irs.gov/W4App.

- 1 Two jobs. If you have two jobs or you're married filing jointly and your spouse also works, find the amount from the appropriate table on page 4. Using the "Higher Paying Job" row and the "Lower Paying Job" column, find the value at the intersection of the two household salaries and enter that value on line 1. Then, skip to line 3
2 Three jobs. If you and/or your spouse have three jobs at the same time, complete lines 2a, 2b, and 2c below. Otherwise, skip to line 3.
a Find the amount from the appropriate table on page 4 using the annual wages from the highest paying job in the "Higher Paying Job" row and the annual wages for your next highest paying job in the "Lower Paying Job" column. Find the value at the intersection of the two household salaries and enter that value on line 2a
b Add the annual wages of the two highest paying jobs from line 2a together and use the total as the wages in the "Higher Paying Job" row and use the annual wages for your third job in the "Lower Paying Job" column to find the amount from the appropriate table on page 4 and enter on line 2b
c Add the amounts from lines 2a and 2b and enter the result on line 2c
3 Enter the number of pay periods per year for the highest paying job. For example, if that job pays weekly, enter 52; if it pays every other week, enter 26; if it pays monthly, enter 12, etc.
4 Divide the annual amount on line 1 or line 2c by the number of pay periods on line 3. (You may round this to the closest whole dollar amount.) Enter this amount here and in Step 4(c) of Form W-4 for the highest paying job (along with any other additional amount you want withheld)

Deductions Worksheet (Keep for your records.)



- 1 Enter an estimate of your 2020 itemized deductions. Such deductions may include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 10% of your income
2 Enter: { • \$XX,XXX if you're married filing jointly or qualifying widow(er) • \$XX,XXX if you're head of household • \$XX,XXX if you're single or married filing separately }
3 If line 1 is greater than line 2, subtract line 2 from line 1. If line 2 is greater than line 1, enter "-0-"
4 Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments. See Pub. 505 for more information
5 Add lines 3 and 4. Enter the result here and in Step 4(b) of Form W-4

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person with no other entries on the form; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation; to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We also may disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.



**Note.** This illustrates what the 2020 procedure could look like by using the 2019 tax parameters. There would be just one procedure for both the Form W-4 from before 2020 and new Forms W-4. The formatting will change, and some of the details may need to be modified slightly to conform to the final Form W-4.

Table 1	Monthly	Semimonthly	Biweekly	Weekly	Daily
	12	24	26	52	260

**Step 1. Adjust the employee's wage amount**

- 1a Enter the employee's total taxable wages this period ..... 1a \$ \_\_\_\_\_
- 1b Enter the number of pay periods you have per year (see Table 1) ..... 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 Wage Amount as follows:

- 1d Enter -0- if the employee checked the box on Step 2 of the W-4 to be withheld at a higher rate. Otherwise enter 3 if the employee is married filing jointly, or 2 otherwise ..... 1d \_\_\_\_\_
- 1e Multiply line 1d by \$4,200 ..... 1e \$ \_\_\_\_\_
- 1f Subtract line 1e from line 1c. If zero or less, enter -0- ..... 1f \$ \_\_\_\_\_
- 1g Enter the amount here that is on line 4a of the employee's Form W-4 ..... 1g \$ \_\_\_\_\_
- 1h Add lines 1f and 1g ..... 1h \$ \_\_\_\_\_
- 1i Enter the amount from line 4b of the employee's Form W-4 ..... 1i \$ \_\_\_\_\_
- 1j Subtract line 1i from line 1h. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** ..... 1j \$ \_\_\_\_\_
- 1k Divide line 1j by the number of pay periods on line 1b. This is the **Adjusted Wage Amount** ..... 1k \$ \_\_\_\_\_

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

- 1l Enter the number of allowances claimed on the employee's most recent Form W-4 ..... 1l \_\_\_\_\_
- 1m Multiply line 1l by \$4,200 ..... 1m \$ \_\_\_\_\_
- 1n Subtract line 1m from line 1c. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** ..... 1n \$ \_\_\_\_\_
- 1o Divide line 1n by the number of pay periods on line 1b. This is the **Adjusted Wage Amount** ..... 1o \$ \_\_\_\_\_

**Step 2. Figure the Tentative Withholding Amount**

based on the employee's Adjusted Wage Amount or Adjusted Annual Wage Amount, filing status (box 1c of 2020 Form W-4 or line 3 on earlier forms), and whether the box in Step 2 of 2020 Form W-4 is checked (to be withheld at a higher rate).

**Option 1: Wage Bracket Method**

- 2a Enter the employee's **Adjusted Wage Amount** this pay period from line 1k or 1o above ..... 2a \$ \_\_\_\_\_
- 2b Use the amount on line 2a to look up the tentative amount to withhold in the appropriate Wage Bracket Method table in Section 3 for your pay frequency, given the employee's filing status and whether the employee has checked the box in Step 2 of the Form W-4 to be withheld at a higher rate. This is the **Tentative Withholding Amount** ..... 2b \$ \_\_\_\_\_

**Option 2: Percentage Method**

- 2c Enter the employee's **Adjusted Annual Wage Amount** from line 1j or 1n above ..... 2c \$ \_\_\_\_\_
- 2d Find the row in the appropriate Percentage Method table in Section 2 in which the amount on line 2c 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 ..... 2d \$ \_\_\_\_\_
- 2e Enter the amount from column C of that row ..... 2e \$ \_\_\_\_\_
- 2f Enter the percentage from column D of that row ..... 2f \_\_\_\_\_ %
- 2g Subtract line 2d from line 2c ..... 2g \$ \_\_\_\_\_
- 2h Multiply the amount on line 2g by the percentage on line 2f ..... 2h \$ \_\_\_\_\_
- 2i Add line 2e and line 2h ..... 2i \$ \_\_\_\_\_
- 2j Divide the amount on line 2i by the number of pay periods on line 1b. This is the **Tentative Withholding Amount** ..... 2j \$ \_\_\_\_\_

**Step 3. Account for tax credits**

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

**Step 4. Figure the final amount to withhold**

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



**Scenario #1**

**Form W-4 (2019)**

**Future developments.** For the latest information about any future developments related to Form W-4, such as legislation enacted after it was published, go to [www.irs.gov/FormW4](http://www.irs.gov/FormW4).

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** You may claim exemption from withholding for 2019 if **both** of the following apply.

- For 2018 you had a right to a refund of **all** federal income tax withheld because you had **no** tax liability, **and**
- For 2019 you expect a refund of **all** federal income tax withheld because you expect to have **no** tax liability.

If you're exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2019 expires February 17, 2020. See Pub. 505, Tax Withholding and Estimated Tax, to learn more about whether you qualify for exemption from withholding.

**General Instructions**

If you aren't exempt, follow the rest of these instructions to determine the number of withholding allowances you should claim for withholding for 2019 and any additional amount of tax to have withheld. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

You can also use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to determine your tax withholding more accurately. Consider

using this calculator if you have a more complicated tax situation, such as if you have a working spouse, more than one job, or a large amount of nonwage income not subject to withholding outside of your job. After your Form W-4 takes effect, you can also use this calculator to see how the amount of tax you're having withheld compares to your projected total tax for 2019. If you use the calculator, you don't need to complete any of the worksheets for Form W-4.

Note that if you have too much tax withheld, you will receive a refund when you file your tax return. If you have too little tax withheld, you will owe tax when you file your tax return, and you might owe a penalty.

**Filers with multiple jobs or working spouses.** If you have more than one job at a time, or if you're married filing jointly and your spouse is also working, read all of the instructions including the instructions for the Two-Earners/Multiple Jobs Worksheet before beginning.

**Nonwage income.** If you have a large amount of nonwage income not subject to withholding, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you might owe additional tax. Or, you can use the Deductions, Adjustments, and Additional Income Worksheet on page 3 or the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to make sure you have enough tax withheld from your paycheck. If you have pension or annuity income, see Pub. 505 or use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to find out if you should adjust your withholding on Form W-4 or W-4P.

**Nonresident alien.** If you're a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

**Specific Instructions**

**Personal Allowances Worksheet**

Complete this worksheet on page 3 first to determine the number of withholding allowances to claim.

**Line C. Head of household please note:** Generally, you may claim head of household filing status on your tax return only if you're unmarried and pay more than 50% of the costs of keeping up a home for yourself and a qualifying individual. See Pub. 501 for more information about filing status.

**Line E. Child tax credit.** When you file your tax return, you may be eligible to claim a child tax credit for each of your eligible children. To qualify, the child must be under age 17 as of December 31, must be your dependent who lives with you for more than half the year, and must have a valid social security number. To learn more about this credit, see Pub. 972, Child Tax Credit. To reduce the tax withheld from your pay by taking this credit into account, follow the instructions on line E of the worksheet. On the worksheet you will be asked about your total income. For this purpose, total income includes all of your wages and other income, including income earned by a spouse if you are filing a joint return.

**Line F. Credit for other dependents.** When you file your tax return, you may be eligible to claim a credit for other dependents for whom a child tax credit can't be claimed, such as a qualifying child who doesn't meet the age or social security number requirement for the child tax credit, or a qualifying relative. To learn more about this credit, see Pub. 972. To reduce the tax withheld from your pay by taking this credit into account, follow the instructions on line F of the worksheet. On the worksheet, you will be asked about your total income. For this purpose, total

----- Separate here and give Form W-4 to your employer. Keep the worksheet(s) for your records. -----

<b>W-4</b>		<b>Employee's Withholding Allowance Certificate</b>		OMB No. 1545-0074
Form Department of the Treasury Internal Revenue Service		▶ Whether you're entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.		<b>2019</b>
1 Your first name and middle initial <b>Fred E</b>		Last name <b>Smith</b>		2 Your social security number <b>001-02-0003</b>
Home address (number and street or rural route) <b>123 Any Street</b>		3 <input type="checkbox"/> Single <input checked="" type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <b>Note:</b> If married filing separately, check "Married, but withhold at higher Single rate."		
City or town, state, and ZIP code <b>Any Town, XX 00000</b>		4 If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card. ▶ <input type="checkbox"/>		
5 Total number of allowances you're claiming (from the applicable worksheet on the following pages) . . . . .		5		<b>5</b>
6 Additional amount, if any, you want withheld from each paycheck . . . . .		6 \$		
7 I claim exemption from withholding for 2019, and I certify that I meet <b>both</b> of the following conditions for exemption. • Last year I had a right to a refund of <b>all</b> federal income tax withheld because I had <b>no</b> tax liability, <b>and</b> • This year I expect a refund of <b>all</b> federal income tax withheld because I expect to have <b>no</b> tax liability. If you meet both conditions, write "Exempt" here . . . . . ▶		7		
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.				
Employee's signature (This form is not valid unless you sign it.) ▶ <b>Fred E. Smith</b>		Date ▶ <b>2/15/19</b>		
8 Employer's name and address (Employer: Complete boxes 8 and 10 if sending to IRS and complete boxes 8, 9, and 10 if sending to State Directory of New Hires.)		9 First date of employment		10 Employer identification number (EIN)

Scenario #2

Form **W-4**

**Employee's Withholding Allowance 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**

<b>Step 1:</b> <b>Enter Personal Information</b>	<b>1a</b> First name and middle initial Fred E.	Last name Smith	<b>1b</b> Social security number 001-02-0003
	Home address (number and street) 123 Any Street		▶ <b>Does your name match the name on your social security card?</b> If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to <a href="http://www.ssa.gov">www.ssa.gov</a> .
	City or town, state, and ZIP code Any Town, XX 00000		
	<b>1c</b> <input type="checkbox"/> Single or Married filing separately <input checked="" type="checkbox"/> Married filing jointly <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 through 4 if they apply to you; otherwise, skip to Step 5. See instructions on page 2.

**Step 2: Account for Multiple Jobs**

**Caution:** The correct amount of withholding depends on income earned from all jobs in the household. If you:

- Hold more than one job at a time, or
- Are married filing jointly and both you and your spouse work,

account for this below or you may owe additional tax when filing your tax return. (If you and/or your spouse have income from self-employment, see page 2.)

**2 Multiple jobs.** Do only one of the following.

- Use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) for most accurate withholding; or
- Use Worksheet 1 on page 3 and enter the result on line 4c below for roughly accurate withholding; or
- If there are only two jobs in your household, you may check here. Do the same on Form W-4 for the other job. With this option, more tax than necessary may be withheld from your wages, but you generally won't have too little tax withheld. ▶

Complete lines 3 through 4b on Form W-4 for only one job in the household. (Your withholding will be most accurate if you do this on the Form W-4 for the highest paying job.)

<b>Step 3:</b> <b>Claim Dependents</b>	<b>3 Dependents.</b> If your income will be \$200,000 or less (\$400,000 or less if married filing jointly) (see instructions):		
	<ul style="list-style-type: none"> <li>• Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ _____</li> <li>• Multiply the number of other dependents by \$500 . . . . ▶ \$ _____</li> </ul> Add the amounts above and enter the total here . . . . .	<b>3</b>	\$
<b>Step 4:</b> <b>Other Adjustments (optional)</b>	<b>4a Other income.</b> If you want tax withheld for other income you expect this year that will not have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income. You should not include income from any jobs . . . .	<b>4a</b>	\$
	<b>b Deductions.</b> If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use Worksheet 2 on page 3 and enter the result here	<b>4b</b>	\$
	<b>c</b> Enter any additional amount you want withheld each <b>pay period</b> . . . . .	<b>4c</b>	\$
	<b>d Exemption.</b> You can claim exemption from withholding for 2020 if: <ul style="list-style-type: none"> <li>• For 2019, you had <b>no</b> federal income tax liability; <b>and</b></li> <li>• For 2020, you expect to have <b>no</b> federal income tax liability.</li> </ul> If you meet both of these conditions, certify by writing "Exempt" here . . . . . ▶	<b>4d</b>	

**Step 5:** Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

**Sign Here** ▶ *Fred E Smith* ▶ **1/4/20**  
Employee's signature (This form is not valid unless you sign it.) Date

<b>Employers Only</b>	<b>5</b> Employer's name and address	<b>6</b> First date of employment	<b>7</b> Employer identification number (EIN)
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Scenario #3

Form **W-4**  
 Department of the Treasury  
 Internal Revenue Service

**Employee's Withholding Allowance Certificate**

OMB No. 1545-0074

▶ 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**

<b>Step 1:</b> <b>Enter Personal Information</b>	<b>1a</b> First name and middle initial Fred E.	Last name Smith	<b>1b</b> Social security number 001-02-0003
	Home address (number and street) 123 Any Street		▶ 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 <a href="http://www.ssa.gov">www.ssa.gov</a> .
	City or town, state, and ZIP code Any Town, XX 00000		
	<b>1c</b> <input type="checkbox"/> Single or Married filing separately <input checked="" type="checkbox"/> Married filing jointly <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 through 4 if they apply to you; otherwise, skip to Step 5. See instructions on page 2.

**Step 2:** **Account for Multiple Jobs**

**Caution:** The correct amount of withholding depends on income earned from all jobs in the household. If you:

- Hold more than one job at a time, or
- Are married filing jointly and both you and your spouse work,

account for this below or you may owe additional tax when filing your tax return. (If you and/or your spouse have income from self-employment, see page 2.)

**2 Multiple jobs.** Do only one of the following.

- Use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) for most accurate withholding; or
- Use Worksheet 1 on page 3 and enter the result on line 4c below for roughly accurate withholding; or
- If there are only two jobs in your household, you may check here. Do the same on Form W-4 for the other job. With this option, more tax than necessary may be withheld from your wages, but you generally won't have too little tax withheld.

Complete lines 3 through 4b on Form W-4 for only one job in the household. (Your withholding will be most accurate if you do this on the Form W-4 for the highest paying job.)

<b>Step 3:</b> <b>Claim Dependents</b>	<b>3 Dependents.</b> If your income will be \$200,000 or less (\$400,000 or less if married filing jointly) (see instructions):		
	<ul style="list-style-type: none"> <li>• Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ 6000</li> <li>• Multiply the number of other dependents by \$500 . . . . ▶ \$ 500</li> </ul> Add the amounts above and enter the total here . . . . .	<b>3</b>	\$ 6500.00
<b>Step 4:</b> <b>Other Adjustments (optional)</b>	<b>4a Other income.</b> If you want tax withheld for other income you expect this year that will not have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income. You should not include income from any jobs . . .	<b>4a</b>	\$ 26000.00
	<b>b Deductions.</b> If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use Worksheet 2 on page 3 and enter the result here	<b>4b</b>	\$ 2600.00
	<b>c</b> Enter any additional amount you want withheld each <b>pay period</b> . . . . .	<b>4c</b>	\$ 100.00
	<b>d Exemption.</b> You can claim exemption from withholding for 2020 if: • For 2019, you had <b>no</b> federal income tax liability; <b>and</b> • For 2020, you expect to have <b>no</b> federal income tax liability. If you meet both of these conditions, certify by writing "Exempt" here . . . . . ▶	<b>4d</b>	

**Step 5:** Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

**Sign Here** ▶ Fred E Smith **1/4/20**  
 Employee's signature (This form is not valid unless you sign it.) Date

<b>Employers Only</b>	<b>5</b> Employer's name and address	<b>6</b> First date of employment	<b>7</b> Employer identification number (EIN)
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<b>Scenario #1</b>			<b>Scenario #2</b>			<b>Scenario #3</b>		
<b>Previous Form (no 2020 Form)</b>			<b>2020 Form No step 2, 3, 4</b>			<b>2020 Form Step 2, 3, 4</b>		
\$3,500.00 Biweekly			\$3,500.00 Biweekly			\$3,500.00 Biweekly		
1a	\$3,500.00		\$3,500.00		\$3,500.00			
1b	26		26		26			
1c	\$91,000.00		\$ 91,000.00		\$91,000.00			
1d			3		0			
1e			\$ 12,600.00		\$0.00			
1f			\$ 78,400.00		\$91,000.00			
1g			0		\$26,000.00			
1h			\$ 78,400.00		\$117,000.00			
1i			0		\$2,600.00			
1j			\$ 78,400.00		\$114,400.00			
1k			\$3,015.38		\$4,400.00			
1l	5							
1m	\$ 21,000.00							
1n	\$ 70,000.00							
1o	\$2,692.31							
2a	\$2,692.31		\$3,015.38		\$4,400.00			
2b								
2c	\$ 70,000.00		\$ 78,400.00		\$ 114,400.00			
2d	\$ 31,200.00		\$ 31,200.00		\$96,400.00			
2e	\$1,940.00		\$1,940.00		\$14,382.50			
2f	12%		12%		24%			
2g	\$ 38,800.00		\$ 47,200.00		\$18,000.00			
2h	\$4,656.00		\$5,664.00		\$4,320.00			
2i	\$6,596.00		\$7,604.00		\$18,702.50			
2j	\$253.69		\$292.46		\$719.33			
3a	\$253.69		\$292.46		\$719.33			
3b	0		0		\$6,500.00			
3c	0		0		\$250.00			
3d	\$253.69		\$292.46		\$469.33			
4a	0		0		100			
4b	\$253.69		\$292.46		\$569.33			