2020 Form W-4

AMERICAN PAYROLL ASSOCIATION

Your Instructor

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2

Agenda

1. 2020 Form W-4
2. 2020 FITW Calculation
3. State Forms W-4

3

Form W-4

4

Why???

- **Tax Cuts and Jobs Act**
  - Eliminated personal exemptions
  - Increased child tax credit
  - Increased standard deductions
  - Reduced itemized deductions

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5

Form W-4 – 2020

W-4

Employee's Withholding Certificate

2020

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6

Form W-4 Instructions – 2020


General Instructions

Future Developments

Purpose of Form

Specific Instructions

7

IRS Pub 15-T– 2020


Department of the Treasury Internal Revenue Service

Publication 15-T

Federal Income Tax Withholding Methods

For use in 2020

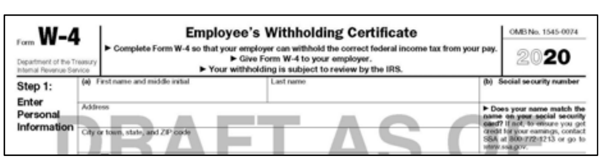
Contents

Future Developments

Introduction

8

2020 Form W-4 Lines Unchanged


Form **W-4**

Department of the Treasury Internal Revenue Service

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.

OMB No. 1545-0074

2020

Step 1: Enter Personal Information

(a) First name and middle initial | Last name | (b) Social security number

Address

City or town, state, and ZIP code

► 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.

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9

2020 Form W-4 Lines Unchanged

Step 5: Sign Here	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete. **Employee's signature** (This form is not valid unless you sign it.)		**Date**
Employers Only	Employer's name and address	First date of employment	Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 3. Cat. No. 10220Q Form **W-4** (2020)

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2020 Form W-4 Changes

(c) ☐ **Single or Married filing separately**
☐ **Married filing jointly** (or Qualifying widow(er))
☐ **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.)

- **Added Head of household**
- **Removed Married, but withhold at higher Single rate**

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2020 Form W-4 Changes

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; **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).**

- **Optional**

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2020 Form W-4 Changes

Step 3: Claim Dependents	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	3	$

- Optional

2020 Form W-4 Changes

Step 4 (optional): Other Adjustments	**(a) Other income.** 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 . .	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)	$

- Optional

2020 Form W-4 Changes

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 $120,000 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.

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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 . . . . 1 $

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 . . . . 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 . 2b $

c Add the amounts from lines 2a and 2b and enter the result on line 2c . . . . 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. 3

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) . . . . . . 4 $

2020 Form W-4 Changes

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	1	$
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	2	$
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-"	3	$
4	Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments. See Pub. 505 for more information	4	$
5	**Add** lines 3 and 4. Enter the result here and in **Step 4(b)** of Form W-4	5	$

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2020 Form W-4 New Employees

- **After 12/31/19**
- **New employee fails to complete Form W-4**
- **Treat the employee as if**
  - Single with no adjustments

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IRS

Tax Withholding Estimator

The IRS encourages everyone to use the Tax Withholding Estimator to perform a quick "paycheck checkup." This is even more important following the recent changes to the tax law for 2018 and beyond.

The Estimator helps you identify your tax withholding to make sure you have the right amount of tax withheld from your paycheck at work.

There are several reasons to check your withholding:

- Checking your withholding can help protect against having too little tax withheld and facing an unexpected tax bill or penalty at tax time next year.
- At the same time, with the average refund topping $2,800, you may prefer to have less tax withheld up front and receive more in your paychecks.

If you are an employee, the Tax Withholding Estimator helps you determine whether you need to give your employer a new Form W-4, Employee's Withholding Allowance Certificate (PDF). You can use your results from the Estimator to help fill out the form and adjust your income tax withholding. If you receive pension income, you can use the results from the estimator to complete a Form W-4P (PDF) and give it to your payer.

Plan Ahead: Tips For Using This Program

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Tax Withholding Estimator

Use your best estimates for the year ahead to determine how to complete Form W-4 so you don't have too much or too little federal income tax withheld.

1 2 3 4 5 6

About You

Select the information that best describes how you anticipate filing your 2019 tax return.

1 of 5: Filing Status

What filing status will you use for your tax return? (*Required)

- Single
- Married filing jointly
- Married filing separately
- Head of Household
- Qualifying widow(er)

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Exemption from Withholding

- **2020 claiming exemption**
  - Had no tax liability in 2019
  - Expects no tax liability in 2020
  - Completes Step 1
  - Enter Exempt below Step 4(c)
  - Sign the form!

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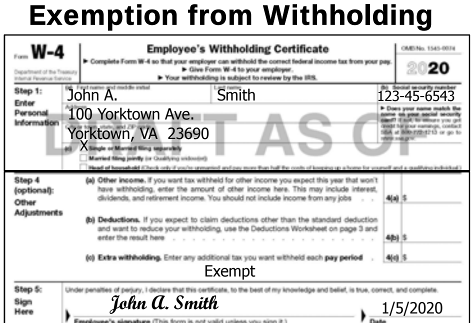
Exemption from Withholding



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Exemption from Withholding

- **Cannot claim exemption**
  - Employee is clamed as a dependent
  - Employee's total income > $1,100 &
  - Employee's unearned income > $350
  - May change for 2020

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Continuing to Claim Exemption

- **Provide 2020 W-4 before 2/17/2020**
  - 2/15/20 is Saturday

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Expired Exemption

- **Employee does not provide 2020 W-4 before 2/15/2020**
  - Withhold using employee's last W-4 not claiming exemption
  - If no prior W-4 not claiming exemption
    - – Single with no adjustments

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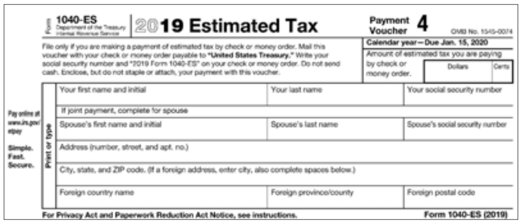
Nonwage Income


Form 1040-ES Department of the Treasury Internal Revenue Service | 2019 Estimated Tax | Payment Voucher 4 | OMB No. 1545-0074

File only if you are making a payment of estimated tax by check or money order. Mail this voucher with your check or money order payable to "United States Treasury." Write your social security number and "2019 Form 1040-ES" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Calendar year—Due Jan. 15, 2020

Amount of estimated tax you are paying by check or money order. | Dollars | Cents

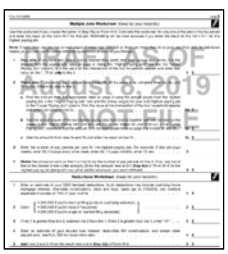
Pay online at www.irs.gov/etpay Simple. Fast. Secure.

Print or type

Your first name and initial	Your last name	Your social security number
If joint payment, complete for spouse		
Spouse's first name and initial	Spouse's last name	Spouse's social security number
Address (number, street, and apt. no.)		
City, state, and ZIP code. (If a foreign address, enter city, also complete spaces below.)		
Foreign country name	Foreign province/county	Foreign postal code

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Form 1040-ES (2019)

Nonwage Income



Nonresident Aliens

- **Notice 1392, *Supplemental Form W-4 Instructions for Nonresident Aliens***
- **IRS still has to update**

Nonresident Aliens

- **Cannot claim exemption**
- **Single, regardless of actual marital status**
- **Write Nonresident Alien**
  - 2020 Form below Step 4(c)

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Nonresident Aliens

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

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.

OMB No. 1545-0074 **2020**

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Step 1: Enter Personal Information
(a) First name and middle initial: John A. — Last name: Smith — (b) Social security number: 123-45-6543
Address: 100 Yorktown Ave.
City or town, state, and ZIP code: Yorktown, VA 23690
► 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.
(c) X Single or Married filing separately
☐ Married filing jointly (or Qualifying widow(er))
☐ 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.)

Step 4 (optional): Other Adjustments
(a) **Other income.** 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 . . . 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) $
Nonresident Alien or NRA

Step 5: Sign Here
Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.
John A. Smith — **Employee's signature** (This form is not valid unless you sign it.)
1/5/2020 — **Date**

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Submitting Form W-4

- **Newly hired**
  - On or before first day of work

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Submitting Form W-4

- **Amended W-4**
  - Within 10 days of change requiring more withholding

Form W-4 Effective Date

- **Newly hired**
  - For first payroll

Form W-4 Effective Date

- **Amended W-4**
  - No later than first pay period ending 30 days after submission
  - May implement sooner

Rejecting Form W-4

- **Invalid forms**
  - Ask employee for new form
  - If employee refuses
    - Withhold based on most recent W-4

Rejecting Form W-4

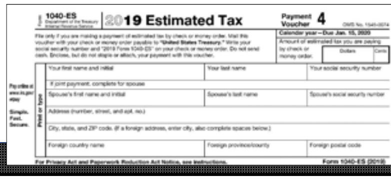
- **Invalid forms**
  - No valid W-4
    - 2020 – Single, with no adjustments

Rejecting Form W-4

- **Invalid forms**
  - Altered in any way
  - Unauthorized additions
  - Flat dollar amount
  - Percentage

Tax Payments from Employees

- Don't take tax payments
- Additional withholding using Line 6
- Making estimated payments



Employee Penalties

- False statement on Form W-4
- $500 civil penalty
- Perjury statement

Keeping Forms W-4

- 4 years after last return
- Last return is employee's Form 1040

IRS's Withholding Estimator

- Encourage employee use
- Helps protect from under/overwithholding!
- Alternative to W-4 worksheets
- Helps understand W-4 status

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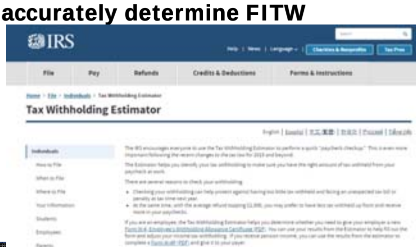
IRS's Withholding Estimator

- Helps accurately determine FITW



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IRS's Withholding Estimator

- Updated in August 2019
- Works with existing W-4s
- Helps determine correct withholding

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IRS's Withholding Estimator

- Also use IRS Pub 505

Publication 505
Cat. No. 15008E

Department of the Treasury
Internal Revenue Service

Tax Withholding and Estimated Tax

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43

IRS's Withholding Estimator

- **Who should use?**
  - Two-income families
  - Two or more jobs
  - Claiming the child tax credit
  - Itemizing deductions
  - High income
  - Complex tax returns

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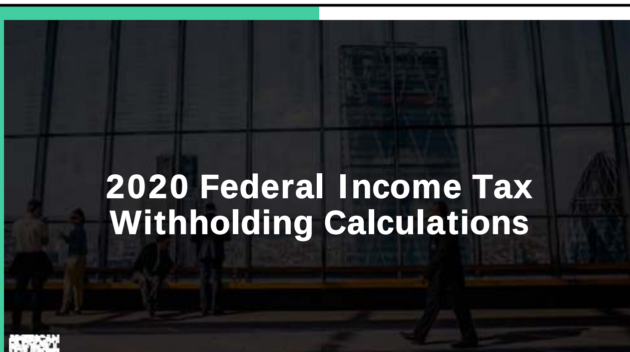
44



45

2020 Form W-4

- **IRS will not require employees to complete 2020 Form W-4**
- **Draft Publication 15-T describes withholding calculations**

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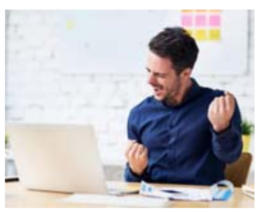
2019 Form W-4 or Earlier Forms

- **Will continue to be used**
  - Unless the employee completes a 2020 Form W-4
  - No change to marital status
  - No change to allowances



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2020 FIT Calculation Examples

- **Using steps from draft Pub 15-T**


1. Percentage Method Tables for Automated Payroll Systems

DRAFT AS OF August 13, 2019

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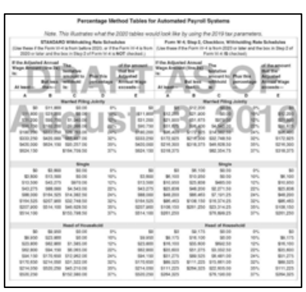
2020 FIT Calculation

- **FITW using 2020 Form W-4**
  - Step 1: Calculate the Adjusted Annual Wage
  - Step 2: Figure Tentative Withholding
  - Step 3: Account for tax credits
  - Step 4: Figure final amount to withhold

2020 FIT Calculation

- **2020 FIT withholding tables**
  - 6 annual tables – Standard and Step 2, Checkbox
    - Married filing jointly
    - Head of household
    - Single/Married filing separately

2020 FIT Calculation Examples


Percentage Method Tables for Automated Payroll Systems

DRAFT AS OF August 13, 2019

- **Using tables from draft Pub 15-T**

2020 FIT Calculation Examples

Percentage Method Tables for Automated Payroll Systems

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

DRAFT AS OF August 13, 2019

STANDARD Withholding Rate Schedules (Use these if the Form W-4 is from before 2020, or if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is **NOT** checked.)					Form W-4, Step 2, Checkbox, Withholding Rate Schedules (Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 IS checked)				
If the Adjusted Annual Wage Amount (line 2a) is: At least—	But less than—	The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Annual Wage exceeds—	If the Adjusted Annual Wage Amount (line 2a) is: At least—	But less than—	The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Annual Wage exceeds—
A	B	C	D	E	A	B	C	D	E
Married Filing Jointly					Married Filing Jointly				
$0	$11,800	$0.00	0%	$0	$0	$12,200	$0.00	0%	$0
$11,800	$31,200	$0.00	10%	$11,800	$12,200	$21,900	$0.00	10%	$12,200
$31,200	$90,750	$1,940.00	12%	$31,200	$21,900	$51,675	$970.00	12%	$21,900
$90,750	$180,200	$9,086.00	22%	$90,750	$51,675	$96,400	$4,543.00	22%	$51,675
$180,200	$333,250	$28,765.00	24%	$180,200	$96,400	$172,925	$14,382.50	24%	$96,400
$333,250	$420,000	$65,497.00	32%	$333,250	$172,925	$216,300	$32,748.50	32%	$172,925
$420,000	$624,150	$93,257.00	35%	$420,000	$216,300	$318,375	$46,628.50	35%	$216,300
$624,150		$164,709.50	37%	$624,150	$318,375		$82,354.75	37%	$318,375

52

2020 FIT Calculation – Example 1

- An employee submitted Form W-4 on July 26, 2019 claiming married with five allowances. The employee is paid $2,100 biweekly and has no pre-tax deductions.

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

Employee's Withholding Allowance Certificate

▶ 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.

OMB No. 1545-0074 **2019**

1 Your first name and middle initial | Last name | 2 Your social security number

Home address (number and street or rural route) | 3 X Single ☐ Married ☐ Married, but withhold at higher Single rate.
Note: If married filing separately, check "Married, but withhold at higher Single rate."

City or town, state, and ZIP code | 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. ▶ ☐

5 Total number of allowances you're claiming (from the applicable worksheet on the following pages) . . . . 5 | 5

6 Additional amount, if any, you want withheld from each paycheck . . . . 6 | $

53

2020 FIT Calculation – Example 1

Use Married Filing Jointly Standard Table	
Wages	2,100.00
Allowances from 7/26/19 W-4	5
Step 1a	2,100.00
Step 1b	26
Step 1c	54,600.00
Skip Steps 1d-1i no 2020 W-4 on file	

54

2020 FIT Calculation – Example 1

Step 1c		54,600.00
Step 1j Allowances from most recent W-4		5
Step 1k Multiply 1j by	4,200.00	21,000.00
Line 1l Adjusted Wage Amount		33,600.00
Step 2a Adjusted Annual Wage Amount		33,600.00
Step 2b Wages at least		31,200.00
Step 2c tax on first $31,200		1,940.00
Step 2d tax rate on amount over $31,200		12%
Step 2e Subtract 2b from 2a		2,400.00
Step 2f Tax on amount over $31,200		288.00
Step 2g Total Tax		2,228.00
Step 2h Tentative Withholding		85.69
Skip Step 3 no 2020 W-4 on file		

2020 FIT Calculation – Example 1

Step 4a Additional withholding		0.00
Step 4b Federal Income Tax Withhholding (add 2h + 4a)		85.69

2020 FIT Calculation – Example 2

- In the employee's first biweekly pay, the employee's gross wages are $1,850 with no pre-tax deductions
- The employee has not completed Form W-4

2020 FIT Calculation – Example 2

NOTE: With no W-4, treat as Single with No adjustments		
No W-4 on file use Single Standard table		
Wages		1,850.00
No W-4 on file, no adjustments		0
Step 1a		1,850.00
Step 1b		26
Step 1c		48,100.00
Skip Steps 1d-1i no 2020 W-4 on file		

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58

2020 FIT Calculation – Example 2

Step 1j No W-4 on file		0
Step 1k Multiply 1j by	4,200.00	0.00
Line 1l Adjusted Wage Amount		48,100.00
Step 2a Adjusted Annual Wage Amount		48,100.00
Step 2b Wages at least		43,275.00
Step 2c tax on first $43,275		4,543.00
Step 2d tax rate on amount over $43,275		22%
Step 2e Subtract 2b from 2a		4,825.00
Step 2f Tax on amount over $43,275		1,061.50
Step 2g Total Tax		5,604.50
Step 2h Tentative Withholding		215.56

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59

2020 FIT Calculation – Example 2

Step 2h Tentative Withholding		215.56
Skip Step 3 no 2020 W-4 on file		
Step 4a Additional withholding		0.00
Step 4b Federal Income Tax Withhholding (add 2h + 4a)		215.56

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60

2020 FIT Calculation – Example 3

- An employee submitted a 2020 Form W-4. The employee is paid $3,200 biweekly and has no pre-tax deductions.

2020 FIT Calculation – Example 3

Use Single Step 2 Checkbox Table		
Form W-4		
Step 2 -- Multiple Jobs		Checked
Step 3 -- Number of qualifying children	1	2,000.00
Step 3 -- Number of other dependents	2	1,000.00
Step 3 -- Total credits		3,000.00
Step 4 (a) -- Other income		15,000.00
Step 4 (b) -- Deductions		10,000.00
Step 4 (c) -- Extra withholding each pay period		50.00

2020 FIT Calculation – Example 3

Step 1a -- Taxable wages each pay period	3,200.00
Step 1b -- Number of pay periods during year	26
Step 1c -- Annual taxable wages	83,200.00
2020 Form W-4 on file	
Step 1d -- Amount from W-4 Step 4(a)	15,000.00
Step 1e -- Add 1c and 1d	98,200.00
Step 1f -- Amount from W-4 Step 4(b)	10,000.00
Step 1g -- if Step 2 checked enter 0, if Step 2 not checked enter $12,600 for married filing jointly or $8,400 otherwise	0.00
Step 1h -- Add 1f and 1g	10,000.00
Step 1i -- Adjusted Annual Wage Amount (1e-1h)	88,200.00
Skip Lines 1j - 1l, employee has 2020 W-4	

2020 FIT Calculation – Example 3

Step 2(a) -- Adjusted Annual Wage Amount		88,200.00
Step 2b Wages at least		86,463.00
Step 2c tax on first $86,463		16,374.25
Step 2d tax rate on amount over $86,463		32%
Step 2e Subtract 2b from 2a		1,737.00
Step 2f Tax on amount over $86,463		555.84
Step 2g Total Tax		16,930.09
Step 2h Tentative Withholding		651.16

AMERICAN PAYROLL ASSOCIATION 64

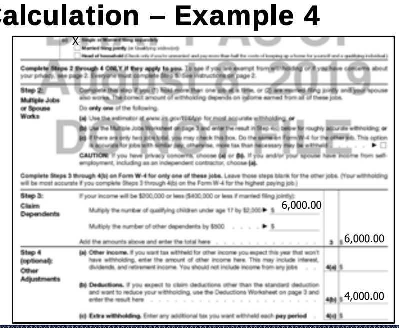
2020 FIT Calculation – Example 3

Step 2h Tentative Withholding		651.16
Step 3a from Step 3 Total Form W-4		3,000.00
Step 3b Divide Step 3a by Line 1b (# pay periods)		115.38
Step 3c Subtract 3b from 2h		535.78
Step 4a Additional amount to withhold W-4 Step 4c		50.00
Step 4b -- Federal Income Tax Withholding (add 3c + 4a)		585.78

AMERICAN PAYROLL ASSOCIATION 65

2020 FIT Calculation – Example 4

- An employee submitted a 2020 Form W-4. The employee is paid $2,700 biweekly and has no pre-tax deductions.



AMERICAN PAYROLL ASSOCIATION 66

2020 FIT Calculation – Example 4

Use Married Jointly Standard Table		
Form W-4		
Step 2 -- Multiple Jobs	NOT Checked	
Step 3 -- Number of qualifying children	3	6,000.00
Step 3 -- Number of other dependents	0	0.00
Step 3 -- Total credits		6,000.00
Step 4 (a) -- Other income		0.00
Step 4 (b) -- Deductions		4,000.00
Step 4 (c) -- Extra withholding each pay period		0.00

AMERICAN PAYROLL ASSOCIATION 67

2020 FIT Calculation – Example 4

Step 1a -- Taxable wages each pay period		2,700.00
Step 1b -- Number of pay periods during year		26
Step 1c -- Annual taxable wages		70,200.00
2020 Form W-4 on file		
Step 1d -- Amount from W-4 Step 4(a)		0.00
Step 1e -- Add 1c and 1d		70,200.00
Step 1f -- Amount from W-4 Step 4(b)		4,000.00
Step 1g -- if Step 2 checked enter 0, if Step 2 not checked enter $12,600 for married filing jointly or $8,400 otherwise		12,600.00
Step 1h -- Add 1f and 1g		16,600.00
Step 1i -- Adjusted Annual Wage Amount (1e-1h)		53,600.00
Skip Lines 1j - 1l, employee has 2020 W-4		

AMERICAN PAYROLL ASSOCIATION 68

2020 FIT Calculation – Example 4

Step 2(a) -- Adjusted Annual Wage Amount		53,600.00
Step 2b Wages at least		31,200.00
Step 2c tax on first $31,200		1,940.00
Step 2d tax rate on amount over $31,200		12%
Step 2e Subtract 2b from 2a		22,400.00
Step 2f Tax on amount over $31,200		2,688.00
Step 2g Total Tax		4,628.00
Step 2h Tentative Withholding		178.00

AMERICAN PAYROLL ASSOCIATION 69

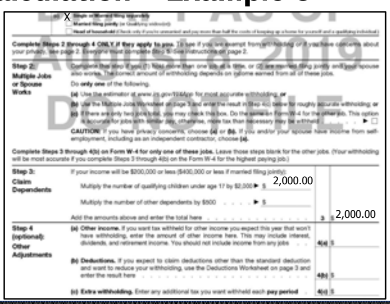
2020 FIT Calculation – Example 4

Step 2h Tentative Withholding		178.00
Step 3a from Step 3 Total Form W-4		6,000.00
Step 3b Divide Step 3a by Line 1b (# pay periods)		230.77
Step 3c Subtract 3b from 2h, since 3c < 0.00, enter 0.00		0.00
Step 4a Additional amount to withhold W-4 Step 4c		0.00
Step 4b -- Federal Income Tax Withholding (add 3c + 4a)		0.00

AMERICAN PAYROLL ASSOCIATION 70

2020 FIT Calculation – Example 5

- An employee submitted a 2020 Form W-4. The employee is paid $1,850 biweekly and has no pre-tax deductions.



X Single or Married filing separately

Married filing jointly (or Qualifying widow(er))

Head of household

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 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.)

Step 3: Claim Dependents 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 ▶ $ 2,000.00

Multiply the number of other dependents by $500 ▶ $

Add the amounts above and enter the total here 3 $ 2,000.00

Step 4 (optional): Other Adjustments

(a) Other income. 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 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) $

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2020 FIT Calculation – Example 5

Step 2 -- Multiple Jobs	NOT Checked	
Step 3 -- Number of qualifying children	1	2,000.00
Step 3 -- Number of other dependents	0	0.00
Step 3 -- Total credits		2,000.00
Step 4 (a) -- Other income		0.00
Step 4 (b) -- Deductions		0.00
Step 4 (c) -- Extra withholding each pay period		0.00

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2020 FIT Calculation – Example 5

Step 1a -- Taxable wages each pay period		1,850.00
Step 1b -- Number of pay periods during year		26
Step 1c -- Annual taxable wages		48,100.00
2020 Form W-4 on file		
Step 1d -- Amount from W-4 Step 4(a)		0.00
Step 1e -- Add 1c and 1d		48,100.00
Step 1f -- Amount from W-4 Step 4(b)		0.00
Step 1g -- if Step 2 checked enter 0, if Step 2 not checked enter $12,600 for married filing jointly or $8,400 otherwise		8,400.00
Step 1h -- Add 1f and 1g		8,400.00
Step 1i -- Adjusted Annual Wage Amount (1e-1h)		39,700.00
Skip Lines 1j - 1l, employee has 2020 W-4		

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73

2020 FIT Calculation – Example 5

Step 2(a) – Adjusted Annual Wage Amount		39,700.00
Step 2b Wages at least		13,500.00
Step 2c tax on first $13,500		970.00
Step 2d tax rate on amount over $13,500		12%
Step 2e Subtract 2b from 2a		26,200.00
Step 2f Tax on amount over $13,500		3,144.00
Step 2g Total Tax		4,114.00
Step 2h Tentative Withholding		158.23

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74

2020 FIT Calculation – Example 5

Step 2h Tentative Withholding		158.23
Step 3a from Step 3 Total Form W-4		2,000.00
Step 3b Divide Step 3a by Line 1b (# pay periods)		76.92
Step 3c Subtract 3b from 2h, since 3c < 0.00, enter 0.00		81.31
Step 4a Additional amount to withhodld W-4 Step 4c		0.00
Step 4b -- Federal Income Tax Withholding (add 3c + 4a)		81.31

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75

76

State Income Tax

- **States using federal definition of taxable income**
  - Colorado
  - Idaho
  - Minnesota
  - North Dakota
  - Oregon
  - South Carolina
  - Vermont

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77

State Income Tax

- **States conforming to federal personal exemptions**
  - Colorado
  - Idaho
  - Missouri
  - New Mexico
  - North Dakota

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78

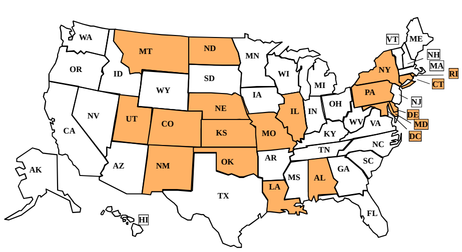
State Income Tax

- **States using federal standard deduction definition**
  - Colorado
  - Idaho
  - Minnesota
  - Missouri
  - New Mexico
  - North Dakota
  - South Carolina
  - Vermont

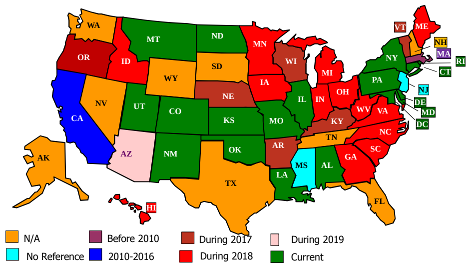
State Income Tax

- **States conforming to federal tax law**
  - Before 1/1/18 – does not include TCJA
  - On 1/1/18 or later – includes TCJA

States Following Current IRC



States Following IRC on Specific Dates



82

State Income Tax – Example

- California follows IRC as of 1/1/15
- California provides exclusion for moving expenses, etc.

83

Impact on States

- Employees may want to change state forms

84

Impact on States

- States may change after TCJA
- Employees may need state form


W-4
Employee's Withholding Certificate
2020
DRAFT AS OF
August 8, 2019
DO NOT FILE

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2020 Draft Form W-4 Impact on State Level

"The 2020 draft Form W-4 is radically different, in ways that will require most states to make significant changes of their own."

Pete Isberg
Co-chair APA GRTF Subcommittee on State & Local Topics

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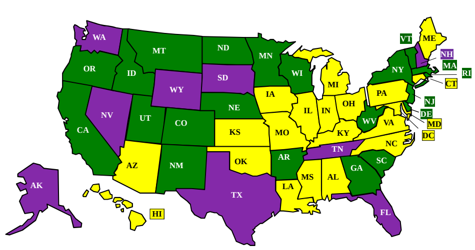
States Accepting Form W-4



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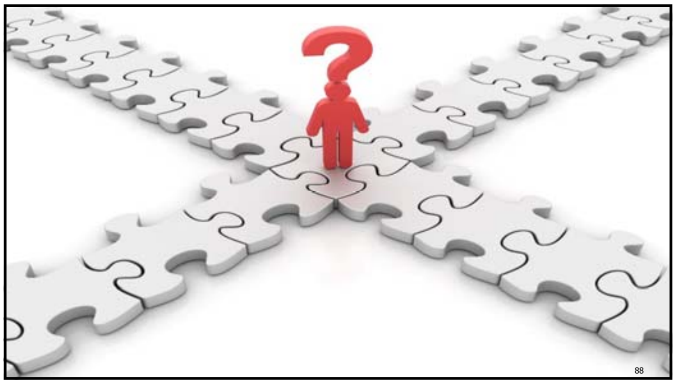
88


2020 Form W-4
Thank You!
AMERICAN PAYROLL ASSOCIATION
©API Fund for Payroll Education, Inc.

Form **W-4**

Department of the Treasury
Internal Revenue Service

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.**

OMB No. 1545-0074

2020

Step 1: Enter Personal Information

(a) First name and middle initial | Last name | **(b) Social security number**

Address

City or town, state, and ZIP code

▶ **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*.

(c) ☐ **Single or Married filing separately**
☐ **Married filing jointly** (or Qualifying widow(er))
☐ **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 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* 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.)

Step 3: Claim Dependents

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 . . . . **3** $

Step 4 (optional): Other Adjustments

(a) Other income. 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 . . **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)** $

Step 5: Sign Here

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

▶ **Employee's signature** (This form is not valid unless you sign it.) ▶ **Date**

Employers Only

Employer's name and address | First date of employment | Employer identification number (EIN)

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.*

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* 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* 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.

CAUTION ***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 . . . . **1** $ ______

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 . . . . **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 . **2b** $ ______

c Add the amounts from lines 2a and 2b and enter the result on line 2c . . . . **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. . . . . . . **3** ______

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) . . . . **4** $ ______

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 . . . . **1** $ ______

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

. . . . **2** $ ______

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-" . . **3** $ ______

4 Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments. See Pub. 505 for more information . . . . **4** $ ______

5 **Add** lines 3 and 4. Enter the result here and in **Step 4(b)** of Form W-4 . . . . **5** $ ______

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.

Married Filing Jointly or Qualifying Widow(er)

Higher Paying Job Annual Taxable Wage & Salary	Lower Paying Job Annual Taxable Wage & Salary									
	$0 - 9,999	$10,000 - 19,999	$20,000 - 29,999	$30,000 - 39,999	$40,000 - 49,999	$50,000 - 59,999	$60,000 - 69,999	$70,000 - 79,999	$80,000 - 89,999	$90,000 - 99,999
$0 - 9,999	$X	$XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX
$10,000 - 19,999	XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$20,000 - 29,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$30,000 - 39,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$40,000 - 49,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$50,000 - 59,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$60,000 - 69,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$70,000 - 79,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX
$80,000 - 99,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX
$100,000 - 149,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$150,000 - 239,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$240,000 - 259,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$260,000 - 279,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$280,000 - 299,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$300,000 - 319,999	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$320,000 - 364,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$365,000 - 524,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$525,000 and over	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX

Single or Married Filing Separately

Higher Paying Job Annual Taxable Wage & Salary	Lower Paying Job Annual Taxable Wage & Salary									
	$0 - 9,999	$10,000 - 19,999	$20,000 - 29,999	$30,000 - 39,999	$40,000 - 49,999	$50,000 - 59,999	$60,000 - 69,999	$70,000 - 79,999	$80,000 - 89,999	$90,000 - 99,999
$0 - 9,999	$XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX
$10,000 - 19,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$20,000 - 29,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$30,000 - 39,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$40,000 - 59,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$60,000 - 79,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$80,000 - 99,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX
$100,000 - 124,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX
$125,000 - 149,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$150,000 - 174,999	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$175,000 - 199,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$200,000 - 249,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$250,000 - 349,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$350,000 - 449,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$450,000 and over	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX

Head of Household

Higher Paying Job Annual Taxable Wage & Salary	Lower Paying Job Annual Taxable Wage & Salary									
	$0 - 9,999	$10,000 - 19,999	$20,000 - 29,999	$30,000 - 39,999	$40,000 - 49,999	$50,000 - 59,999	$60,000 - 69,999	$70,000 - 79,999	$80,000 - 89,999	$90,000 - 99,999
$0 - 9,999	$XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX
$10,000 - 19,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$20,000 - 29,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$30,000 - 39,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$40,000 - 59,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX
$60,000 - 79,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$80,000 - 99,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$100,000 - 124,999	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$125,000 - 149,999	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$150,000 - 174,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$175,000 - 199,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$200,000 - 249,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$250,000 - 349,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$350,000 - 449,999	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
$450,000 and over	X,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX

Department of the Treasury
Internal Revenue Service

Publication 15-T
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Federal Income Tax Withholding Methods

For use in **2020**

Contents

Future Developments

For the latest information about developments related to Pub. 15-T, such as legislation enacted after it was published, go to *IRS.gov/Pub15T*.

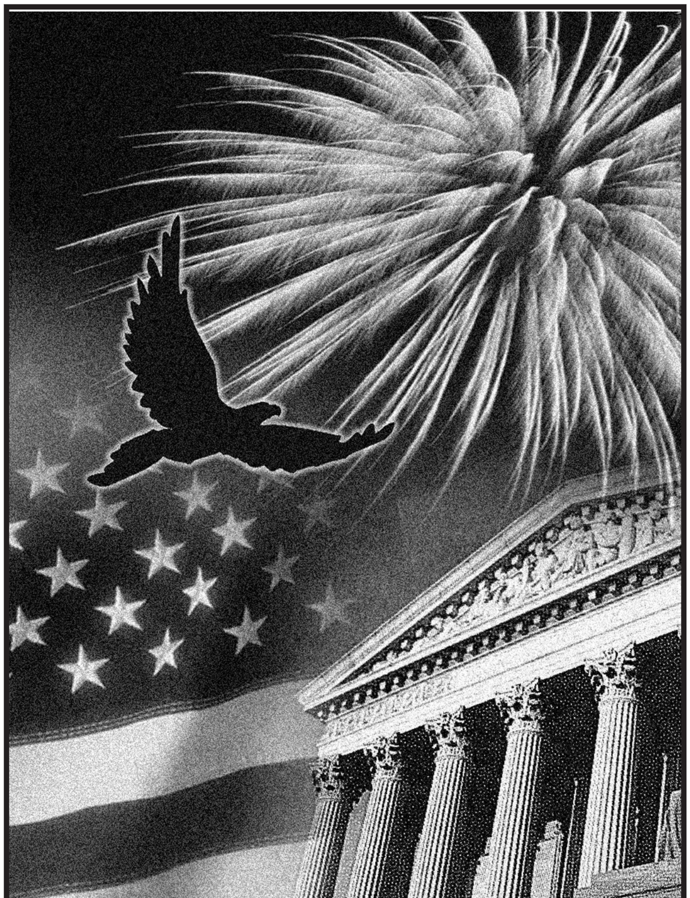
Introduction

The way employers will figure federal income tax withholding for 2020 Form W-4, Employee's Withholding Certificate, is changing to match the changes to the new form. This special draft release of new Pub. 15-T contains a look at the new employer steps to figure federal income tax withholding.

The 2020 Form W-4 has been redesigned to reduce the form's complexity and to increase transparency and accuracy in the withholding system. Beginning with the 2020 Form W-4, employees will no longer be able to request adjustments to their withholding using withholding allowances. Instead, using the new Form W-4, employees will 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 computations described in this publication will allow employers to figure withholding regardless of whether the employee provided a Form W-4 in an earlier year or will provide a new Form W-4 in 2020. This publication also allows employers to figure withholding based on their payroll system (automated or manual) and withholding method of choice.**

CAUTION

The Percentage Method tables, Wage Bracket Method tables, and amounts to add to the wages of a nonresident alien employee provided in this draft are based on the 2019 inflationary adjustments for purposes of programming and testing. Once the 2020 inflation-adjusted amounts are available, they will be included in this Pub. 15-T.



2020 Form W-4

The 2020 Form W-4 is broken up into steps. Every 2020 Form W-4 employers receive from an employee should show a completed Step 1 (name, address, social security number, and filing status) and a dated signature on Step 5. Employees will complete Steps 2, 3, and/or 4 only if relevant to their personal situation. Steps 2, 3, and 4 show adjustments that will affect withholding calculations.

For employees who don't complete any steps other than Step 1 and Step 5, employers will withhold the amount based on the filing status and wage amounts.

For employees completing one or more of Steps 2, 3, and/or 4 on Form W-4, adjustments are as follows.

Step 2. If the employee checks the box in Step 2, the employer will figure withholding from the "Form W-4, Step 2, Checkbox" column in the Percentage Method or Wage Bracket Method tables. This will mean higher withholding for the employee. If the employee chooses one of the other two alternatives from this step, the additional withholding will be included with any other additional tax amounts **per pay period** in Step 4(c).

Step 3. Employers will use the amount on this line as an **annual** reduction in the amount of withholding. Employers should use the amount that the employee entered as the total in Step 3 of Form W-4 even if it is not equal to the sum of any amounts entered on the left in Step 3 because the total may take into account other tax credits. If the Step 3 total is blank, but there are amounts entered on the left in Step 3, the employer should consider asking the employee if leaving the line blank was intended.

Steps 4(a) and 4(b). Employers will increase the annual amount of wages subject to income tax withholding by the **annual** amount shown on Step 4(a) and reduce the annual amount of wages subject to income tax withholding by the **annual** amount shown on Step 4(b).

Step 4(c). Employers will increase withholding by the **per pay period** tax amount on Step 4(c).

Additional information. See the Frequently Asked Questions (FAQs), available at *IRS.gov/Pub15T*, for answers to questions employers and employees may have about the changes in the Form W-4 and figuring withholding.

Exemption from withholding. Employees who write "Exempt" on Form W-4 in the space below Step 4(c) shall have no federal income tax withheld from their paychecks.

Electronic system to receive Form W-4. If you maintain an electronic Form W-4 system, you should provide a field for employees who are eligible and want to claim an exemption from withholding to certify that they are exempt instead of writing "Exempt" below Step 4(c). You should also include the two conditions that taxpayers are certifying that they meet: "you had no federal income tax liability in 2019 and you expect to have no federal income tax liability in 2020". Additionally, you should continue to provide a field for nonresident aliens to enter nonresident alien status.

Withholding Adjustment for Nonresident Alien Employees

Apply the procedure discussed next to figure the amount of federal income tax to withhold from the wages of nonresident alien employees performing services within the United States.

This procedure only applies to nonresident alien employees who have wages subject to income tax withholding.

TIP *Nonresident alien students from India and business apprentices from India aren't subject to this procedure.*

Instructions. To figure how much federal income tax to withhold from the wages paid to a nonresident alien employee performing services in the United States, use the following steps.

Step 1. Determine if the nonresident alien employee has submitted a 2020 Form W-4 or an earlier Form W-4. Then add to the wages paid to the nonresident alien employee for the payroll period the amount for the applicable type of Form W-4 and payroll period.

If the nonresident alien employee started before 2020 and **has not** submitted a Form W-4 for 2020 or later, add the amount shown in Table 1 to their wages for calculating federal income tax withholding.

Table 1

Payroll Period	Add Additional
Weekly	$153.80
Biweekly	307.70
Semimonthly	333.30
Monthly	666.70
Quarterly	2,000.00
Semiannually	4,000.00
Annually	8,000.00
Daily or Miscellaneous (each day of the payroll period)	30.80

If the nonresident alien employee has submitted a Form W-4 for **2020 or later** or started in 2020 or later, add the amount shown in Table 2 to their wages for calculating federal income tax withholding.

Table 2

Payroll Period	Add Additional
Weekly	$234.60
Biweekly	461.50
Semimonthly	500.00
Monthly	1,016.70
Quarterly	3,050.00
Semiannually	6,100.00
Annually	12,200.00
Daily or Miscellaneous (each day of the payroll period)	46.90

Step 2. Enter the amount figured in *Step 1* above as the total taxable wages on line 1a of the withholding worksheet that you use to figure federal income tax withholding.

The amounts from Tables 1 and 2 are added to wages solely for calculating income tax withholding on the wages of the nonresident alien employee. The amounts from the tables shouldn't be included in any box on the employee's Form W-2 and don't increase the income tax liability of the employee. Also, the amounts from the tables don't increase the social security tax or Medicare tax liability of the employer or the employee, or the FUTA tax liability of the employer.

Example. An employer pays wages of $300 for a weekly payroll period to a married nonresident alien employee. The nonresident alien has a properly completed 2019 Form W-4 on file with the employer that shows marital status as "single" with one withholding allowance and indicated status as a nonresident alien on Form W-4, line 6 (see *Nonresident alien employee's Form W-4*, in section 9 of Pub. 15). The employer determines the wages to be used in the withholding tables by adding to the $300 amount of wages paid the amount of $153.80 from Table 1 under *Step 1* ($453.80 total). The employer has a manual payroll system and prefers to use the Wage Bracket Method tables to figure withholding. The employer will use Worksheet 3 and the withholding tables in section 3 to determine the income tax withholding for the nonresident alien employee. In this example, the employer would withhold $xx in federal income tax from the weekly wages of the nonresident alien employee.

The $153.80 added to wages for calculating income tax withholding isn't reported on Form W-2, and doesn't increase the income tax liability of the employee. Also, the $153.80 added to wages doesn't affect the social security tax or Medicare tax liability of the employer or the employee, or the FUTA tax liability of the employer.

Supplemental wage payment. This procedure for determining the amount of federal income tax withholding doesn't apply to a supplemental wage payment (see section 7 in Pub. 15) if the 37% mandatory flat rate withholding applies or if the 22% optional flat rate withholding is being used to calculate income tax withholding on the supplemental wage payment.

Rounding

To figure the income tax to withhold, you may reduce the last digit of the wages to zero, or figure the wages to the nearest dollar. You may also round the tax for the pay period to the nearest dollar. If rounding is used, it must be used consistently. Withheld tax amounts should be rounded to the nearest whole dollar by dropping amounts under 50 cents and increasing amounts from 50 to 99 cents to the next dollar. For example, $2.30 becomes $2 and $2.50 becomes $3. This rounding meets the tolerances under section 3402(h)(4).

1. Percentage Method Tables for Automated Payroll Systems

If you have an automated payroll system, use the worksheet below and the Percentage Method tables that follow to figure federal income tax withholding. This method works for Forms W-4 from before 2020 and Forms W-4 from 2020 or later. This method also works for any amount of wages. If the Form W-4 is from before 2020, this method works for any number of withholding allowances claimed.

Worksheet 1. Employer's Withholding Worksheet for Percentage Method Tables for Automated Payroll Systems

Keep for Your Records

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 Form 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 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 $12,600 if the taxpayer is married filing jointly or $8,400 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 $______

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 $4,200 . . . 1k $______

1l Subtract line 1k from line 1c. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** . . . 1l $______

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 before 2020); 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 before 2020.

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 line 2c and line 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 $______

Percentage Method Tables for Automated Payroll Systems

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

STANDARD Withholding Rate Schedules
(Use these if the Form W-4 is from before 2020, or if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is **NOT** checked.)

If the Adjusted Annual Wage Amount (line 2a) is: At least—	But less than—	The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Annual Wage exceeds—
A	B	C	D	E
Married Filing Jointly				
$0	$11,800	$0.00	0%	$0
$11,800	$31,200	$0.00	10%	$11,800
$31,200	$90,750	$1,940.00	12%	$31,200
$90,750	$180,200	$9,086.00	22%	$90,750
$180,200	$333,250	$28,765.00	24%	$180,200
$333,250	$420,000	$65,497.00	32%	$333,250
$420,000	$624,150	$93,257.00	35%	$420,000
$624,150		$164,709.50	37%	$624,150
Single				
$0	$3,800	$0.00	0%	$0
$3,800	$13,500	$0.00	10%	$3,800
$13,500	$43,275	$970.00	12%	$13,500
$43,275	$88,000	$4,543.00	22%	$43,275
$88,000	$164,525	$14,382.50	24%	$88,000
$164,525	$207,900	$32,748.50	32%	$164,525
$207,900	$514,100	$46,628.50	35%	$207,900
$514,100		$153,798.50	37%	$514,100
Head of Household				
$0	$9,950	$0.00	0%	$0
$9,950	$23,800	$0.00	10%	$9,950
$23,800	$62,800	$1,385.00	12%	$23,800
$62,800	$94,150	$6,065.00	22%	$62,800
$94,150	$170,650	$12,962.00	24%	$94,150
$170,650	$214,050	$31,322.00	32%	$170,650
$214,050	$520,250	$45,210.00	35%	$214,050
$520,250		$152,380.00	37%	$520,250

Form W-4, Step 2, Checkbox, Withholding Rate Schedules
(Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 **IS** checked)

If the Adjusted Annual Wage Amount (line 2a) is: At least—	But less than—	The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Annual Wage exceeds—
A	B	C	D	E
Married Filing Jointly				
$0	$12,200	$0.00	0%	$0
$12,200	$21,900	$0.00	10%	$12,200
$21,900	$51,675	$970.00	12%	$21,900
$51,675	$96,400	$4,543.00	22%	$51,675
$96,400	$172,925	$14,382.50	24%	$96,400
$172,925	$216,300	$32,748.50	32%	$172,925
$216,300	$318,375	$46,628.50	35%	$216,300
$318,375		$82,354.75	37%	$318,375
Single				
$0	$6,100	$0.00	0%	$0
$6,100	$10,950	$0.00	10%	$6,100
$10,950	$25,838	$485.00	12%	$10,950
$25,838	$48,200	$2,271.50	22%	$25,838
$48,200	$86,463	$7,191.25	24%	$48,200
$86,463	$108,150	$16,374.25	32%	$86,463
$108,150	$261,250	$23,314.25	35%	$108,150
$261,250		$76,899.25	37%	$261,250
Head of Household				
$0	$9,175	$0.00	0%	$0
$9,175	$16,100	$0.00	10%	$9,175
$16,100	$35,600	$692.50	12%	$16,100
$35,600	$51,275	$3,032.50	22%	$35,600
$51,275	$89,525	$6,481.00	24%	$51,275
$89,525	$111,225	$15,661.00	32%	$89,525
$111,225	$264,325	$22,605.00	35%	$111,225
$264,325		$76,190.00	37%	$264,325

2. Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later

If you compute payroll manually, your employee has submitted a Form W-4 for 2020 or later, and you prefer to use the Wage Bracket method, use the worksheet below and the Wage Bracket Method tables that follow to figure federal income tax withholding.

The Wage Bracket Method tables cover only up to approximately $100,000 in annual wages. If you can't use the Wage Bracket Method tables because taxable wages exceed the amount from the last bracket of the table (based on filing status and pay period), use the Percentage Method tables in section 4.

Worksheet 2. Employer's Withholding Worksheet for Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later

Keep for Your Records

Note. This illustrates what the 2020 procedure could look like by using the 2019 tax parameters.

Table 4	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 payroll period	1a	$
1b	Enter the number of pay periods you have per year (see Table 4)	1b	
1c	Enter the amount from Step 4(a) of the employee's Form W-4	1c	$
1d	Divide the amount on line 1c by the number of pay periods on line 1b	1d	$
1e	Add lines 1a and 1d	1e	$
1f	Enter the amount from Step 4(b) of the employee's Form W-4	1f	$
1g	Divide the amount on line 1f by the number of pay periods on line 1b	1g	$
1h	Subtract line 1g from line 1e. If zero or less, enter -0-. This is the **Adjusted Wage Amount**	1h	$

Step 2. Figure the Tentative Withholding Amount

2a	Use the amount on line 1h to look up the tentative amount to withhold in the appropriate Wage Bracket Table in this section for your pay frequency, given the employee's filing status and whether the employee has checked the box in Step 2 of Form W-4. This is the **Tentative Withholding Amount**	2a	$

Step 3. Account for tax credits

3a	Enter the amount from Step 3 of the employee's Form W-4	3a	$
3b	Divide the amount on line 3a by the number of pay periods on line 1b	3b	$
3c	Subtract line 3b from line 2a. If zero or less, enter -0-	3c	$

Step 4. Figure the final amount to withhold

4a	Enter the additional amount to withhold from Step 4(c) of the employee's Form W-4	4a	$
4b	Add lines 3c and 4a. **This is the amount to withhold from the employee's wages this pay period**	4b	$

2020 Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

WEEKLY Payroll Period

If the **Adjusted Wage Amount** (line 1h) is		Married Filing Jointly		Head of Household		Single	
At least	But less than	Standard withholding	Form W-4, Step 2, Checkbox withholding	Standard withholding	Form W-4, Step 2, Checkbox withholding	Standard withholding	Form W-4, Step 2, Checkbox withholding
		The amount of income tax withheld shall be:					
$0	**$120**	$0	$0	$0	$0	$0	$0
$120	**$130**	$0	$0	$0	$0	$0	$1
$130	**$140**	$0	$0	$0	$0	$0	$2
$140	**$150**	$0	$0	$0	$0	$0	$3
$150	**$160**	$0	$0	$0	$0	$0	$4
$160	**$170**	$0	$0	$0	$0	$0	$5
$170	**$180**	$0	$0	$0	$0	$0	$6
$180	**$190**	$0	$0	$0	$1	$0	$7
$190	**$200**	$0	$0	$0	$2	$0	$8
$200	**$210**	$0	$0	$0	$3	$0	$9
$210	**$220**	$0	$0	$0	$4	$0	$10
$220	**$230**	$0	$0	$0	$5	$0	$11
$230	**$240**	$0	$0	$0	$6	$0	$12
$240	**$250**	$0	$1	$0	$7	$1	$13
$250	**$260**	$0	$2	$0	$8	$2	$15
$260	**$270**	$0	$3	$0	$9	$3	$16
$270	**$280**	$0	$4	$0	$10	$4	$17
$280	**$290**	$0	$5	$0	$11	$5	$18
$290	**$300**	$0	$6	$0	$12	$6	$19
$300	**$310**	$0	$7	$0	$13	$7	$21
$310	**$320**	$0	$8	$0	$14	$8	$22
$320	**$330**	$0	$9	$0	$15	$9	$23
$330	**$340**	$0	$10	$0	$16	$10	$24
$340	**$350**	$0	$11	$0	$18	$11	$25
$350	**$360**	$0	$12	$0	$19	$12	$27
$360	**$370**	$0	$13	$1	$20	$13	$28
$370	**$380**	$0	$14	$2	$21	$14	$29
$380	**$390**	$0	$15	$3	$22	$15	$30
$390	**$400**	$0	$16	$4	$24	$16	$31
$400	**$410**	$0	$17	$5	$25	$17	$33
$410	**$420**	$0	$18	$6	$26	$18	$34
$420	**$430**	$0	$19	$7	$27	$19	$35
$430	**$440**	$0	$20	$8	$28	$20	$36
$440	**$450**	$0	$22	$9	$30	$22	$37
$450	**$460**	$0	$23	$10	$31	$23	$39
$460	**$470**	$0	$24	$11	$32	$24	$40
$470	**$480**	$1	$25	$12	$33	$25	$41
$480	**$490**	$2	$26	$13	$34	$26	$42
$490	**$500**	$3	$28	$14	$36	$28	$43
$500	**$510**	$4	$29	$15	$37	$29	$45
$510	**$520**	$5	$30	$16	$38	$30	$48
$520	**$530**	$6	$31	$17	$39	$31	$50
$530	**$540**	$7	$32	$18	$40	$32	$52
$540	**$550**	$8	$34	$19	$42	$34	$54

2020 Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

WEEKLY Payroll Period

If the **Adjusted Wage Amount** (line 1h) is		Married Filing Jointly		Head of Household		Single	
At least	But less than	Standard withholding	Form W-4, Step 2, Checkbox withholding	Standard withholding	Form W-4, Step 2, Checkbox withholding	Standard withholding	Form W-4, Step 2, Checkbox withholding
		The amount of income tax withheld shall be:					
$550	**$560**	$9	$35	$20	$43	$35	$56
$560	**$570**	$10	$36	$21	$44	$36	$59
$570	**$580**	$11	$37	$22	$45	$37	$61
$580	**$590**	$12	$38	$23	$46	$38	$63
$590	**$600**	$13	$40	$24	$48	$40	$65
$600	**$610**	$14	$41	$25	$49	$41	$67
$610	**$620**	$15	$42	$26	$50	$42	$70
$620	**$630**	$16	$43	$27	$51	$43	$72
$630	**$640**	$17	$44	$29	$52	$44	$74
$640	**$650**	$18	$46	$30	$54	$46	$76
$650	**$660**	$19	$47	$31	$55	$47	$78
$660	**$670**	$20	$48	$32	$56	$48	$81
$670	**$680**	$21	$49	$33	$57	$49	$83
$680	**$690**	$22	$50	$35	$58	$50	$85
$690	**$700**	$23	$52	$36	$61	$52	$87
$700	**$710**	$24	$53	$37	$63	$53	$89
$710	**$720**	$25	$54	$38	$65	$54	$92
$720	**$730**	$26	$55	$39	$67	$55	$94
$730	**$740**	$27	$56	$41	$69	$56	$96
$740	**$750**	$28	$58	$42	$72	$58	$98
$750	**$760**	$29	$59	$43	$74	$59	$100
$760	**$770**	$30	$60	$44	$76	$60	$103
$770	**$780**	$31	$61	$45	$78	$61	$105
$780	**$790**	$32	$62	$47	$80	$62	$107
$790	**$800**	$33	$64	$48	$83	$64	$109
$800	**$810**	$34	$65	$49	$85	$65	$111
$810	**$820**	$35	$66	$50	$87	$66	$114
$820	**$830**	$36	$67	$51	$89	$67	$116
$830	**$840**	$37	$68	$53	$91	$68	$118
$840	**$850**	$38	$70	$54	$94	$70	$120
$850	**$860**	$39	$71	$55	$96	$71	$122
$860	**$870**	$40	$72	$56	$98	$72	$125
$870	**$880**	$41	$73	$57	$100	$73	$127
$880	**$890**	$42	$74	$59	$102	$74	$129
$890	**$900**	$44	$76	$60	$105	$76	$131
$900	**$910**	$45	$77	$61	$107	$77	$133
$910	**$920**	$46	$78	$62	$109	$78	$136
$920	**$930**	$47	$79	$63	$111	$79	$138
$930	**$940**	$48	$80	$65	$113	$80	$140
$940	**$950**	$50	$82	$66	$116	$82	$143
$950	**$960**	$51	$83	$67	$118	$83	$145
$960	**$970**	$52	$84	$68	$120	$84	$147
$970	**$980**	$53	$85	$69	$122	$85	$150
$980	**$990**	$54	$86	$71	$124	$86	$152
$990	**$1,000**	$56	$88	$72	$127	$88	$155
$1,000	**$1,010**	$57	$90	$73	$129	$90	$157
$1,010	**$1,020**	$58	$92	$74	$132	$92	$159

2020 Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

WEEKLY Payroll Period

If the **Adjusted Wage Amount** (line 1h) is		**Married Filing Jointly**		**Head of Household**		**Single**	
At least	But less than	Standard withholding	Form W-4, Step 2, Checkbox withholding	Standard withholding	Form W-4, Step 2, Checkbox withholding	Standard withholding	Form W-4, Step 2, Checkbox withholding
		The amount of income tax withheld shall be:					
$1,020	**$1,030**	$59	$94	$75	$134	$94	$162
$1,030	**$1,040**	$60	$96	$77	$136	$96	$164
$1,040	**$1,050**	$62	$99	$78	$139	$99	$167
$1,050	**$1,060**	$63	$101	$79	$141	$101	$169
$1,060	**$1,070**	$64	$103	$80	$144	$103	$171
$1,070	**$1,080**	$65	$105	$81	$146	$105	$174
$1,080	**$1,090**	$66	$107	$83	$148	$107	$176
$1,090	**$1,100**	$68	$110	$84	$151	$110	$179
$1,100	**$1,110**	$69	$112	$85	$153	$112	$181
$1,110	**$1,120**	$70	$114	$86	$156	$114	$183
$1,120	**$1,130**	$71	$116	$87	$158	$116	$186
$1,130	**$1,140**	$72	$118	$89	$160	$118	$188
$1,140	**$1,150**	$74	$121	$90	$163	$121	$191
$1,150	**$1,160**	$75	$123	$91	$165	$123	$193
$1,160	**$1,170**	$76	$125	$92	$168	$125	$195
$1,170	**$1,180**	$77	$127	$93	$170	$127	$198
$1,180	**$1,190**	$78	$129	$95	$172	$129	$200
$1,190	**$1,200**	$80	$132	$96	$175	$132	$203
$1,200	**$1,210**	$81	$134	$97	$177	$134	$205
$1,210	**$1,220**	$82	$136	$98	$180	$136	$207
$1,220	**$1,230**	$83	$138	$99	$182	$138	$210
$1,230	**$1,240**	$84	$140	$101	$184	$140	$212
$1,240	**$1,250**	$86	$143	$102	$187	$143	$215
$1,250	**$1,260**	$87	$145	$103	$189	$145	$217
$1,260	**$1,270**	$88	$147	$104	$192	$147	$219
$1,270	**$1,280**	$89	$149	$105	$194	$149	$222
$1,280	**$1,290**	$90	$151	$107	$196	$151	$224
$1,290	**$1,300**	$92	$154	$108	$199	$154	$227
$1,300	**$1,310**	$93	$156	$109	$201	$156	$229
$1,310	**$1,320**	$94	$158	$110	$204	$158	$231
$1,320	**$1,330**	$95	$160	$111	$206	$160	$234
$1,330	**$1,340**	$96	$162	$113	$208	$162	$236
$1,340	**$1,350**	$98	$165	$114	$211	$165	$239
$1,350	**$1,360**	$99	$167	$115	$213	$167	$241
$1,360	**$1,370**	$100	$169	$116	$216	$169	$243
$1,370	**$1,380**	$101	$171	$118	$218	$171	$246
$1,380	**$1,390**	$102	$173	$120	$220	$173	$248
$1,390	**$1,400**	$104	$176	$122	$223	$176	$251
$1,400	**$1,410**	$105	$178	$125	$225	$178	$253
$1,410	**$1,420**	$106	$180	$127	$228	$180	$255
$1,420	**$1,430**	$107	$182	$129	$230	$182	$258
$1,430	**$1,440**	$108	$184	$131	$232	$184	$260
$1,440	**$1,450**	$110	$187	$133	$235	$187	$263
$1,450	**$1,460**	$111	$189	$136	$237	$189	$265
$1,460	**$1,470**	$112	$191	$138	$240	$191	$267
$1,470	**$1,480**	$113	$193	$140	$242	$193	$270
$1,480	**$1,490**	$114	$195	$142	$244	$195	$272

2020 Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

WEEKLY Payroll Period

If the **Adjusted Wage Amount** (line 1h) is		Married Filing Jointly		Head of Household		Single	
At least	But less than	Standard withholding	Form W-4, Step 2, Checkbox withholding	Standard withholding	Form W-4, Step 2, Checkbox withholding	Standard withholding	Form W-4, Step 2, Checkbox withholding
		The amount of income tax withheld shall be:					
$1,490	**$1,500**	$116	$198	$144	$247	$198	$275
$1,500	**$1,510**	$117	$200	$147	$249	$200	$277
$1,510	**$1,520**	$118	$202	$149	$252	$202	$279
$1,520	**$1,530**	$119	$204	$151	$254	$204	$282
$1,530	**$1,540**	$120	$206	$153	$256	$206	$284
$1,540	**$1,550**	$122	$209	$155	$259	$209	$287
$1,550	**$1,560**	$123	$211	$158	$261	$211	$289
$1,560	**$1,570**	$124	$213	$160	$264	$213	$291
$1,570	**$1,580**	$125	$215	$162	$266	$215	$294
$1,580	**$1,590**	$126	$217	$164	$268	$217	$296
$1,590	**$1,600**	$128	$220	$166	$271	$220	$299
$1,600	**$1,610**	$129	$222	$169	$273	$222	$301
$1,610	**$1,620**	$130	$224	$171	$276	$224	$303
$1,620	**$1,630**	$131	$226	$173	$278	$226	$306
$1,630	**$1,640**	$132	$228	$175	$280	$228	$308
$1,640	**$1,650**	$134	$231	$177	$283	$231	$311
$1,650	**$1,660**	$135	$233	$180	$285	$233	$313
$1,660	**$1,670**	$136	$235	$182	$288	$235	$316
$1,670	**$1,680**	$137	$237	$184	$290	$237	$319
$1,680	**$1,690**	$138	$239	$186	$292	$239	$322
$1,690	**$1,700**	$140	$242	$188	$295	$242	$325
$1,700	**$1,710**	$141	$244	$191	$297	$244	$328
$1,710	**$1,720**	$142	$246	$193	$300	$246	$332
$1,720	**$1,730**	$143	$248	$195	$302	$248	$335
$1,730	**$1,740**	$144	$250	$197	$305	$250	$338
$1,740	**$1,750**	$146	$253	$199	$309	$253	$341
$1,750	**$1,760**	$147	$255	$202	$312	$255	$344
$1,760	**$1,770**	$148	$257	$204	$315	$257	$348
$1,770	**$1,780**	$149	$259	$206	$318	$259	$351
$1,780	**$1,790**	$150	$261	$208	$321	$261	$354
$1,790	**$1,800**	$152	$264	$210	$325	$264	$357
$1,800	**$1,810**	$153	$266	$213	$328	$266	$360
$1,810	**$1,820**	$154	$268	$215	$331	$268	$364
$1,820	**$1,830**	$155	$270	$217	$334	$270	$367
$1,830	**$1,840**	$156	$272	$219	$337	$272	$370
$1,840	**$1,850**	$158	$275	$221	$341	$275	$373
$1,850	**$1,860**	$159	$277	$224	$344	$277	$376
$1,860	**$1,870**	$160	$279	$226	$347	$279	$380
$1,870	**$1,880**	$161	$282	$228	$350	$282	$383
$1,880	**$1,890**	$162	$284	$230	$353	$284	$386
$1,890	**$1,900**	$164	$286	$232	$357	$286	$389
$1,900	**$1,910**	$165	$289	$235	$360	$289	$392
$1,910	**$1,920**	$166	$291	$237	$363	$291	$396
$1,920	**$1,930**	$167	$294	$239	$366	$294	$399

3. Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From Before 2020

If you compute payroll manually and your employee **has not** submitted a Form W-4 for 2020 or later, use the worksheet below and the Wage Bracket Method tables that follow to figure federal income tax withholding.

The Wage Bracket Method tables cover only up to approximately $100,000 in annual wages and up to 10 allowances. If you can't use the Wage Bracket Method tables because taxable wages exceed the amount from the last bracket of the table (based on filing status and pay period) or the employee claimed more than 10 allowances, use the Percentage Method tables in section 5.

Worksheet 3. Employer's Withholding Worksheet for Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From Before 2020

Keep for Your Records

Note. This illustrates what the 2020 procedure could look like by using the 2019 tax parameters.

Step 1. Figure the tentative withholding amount

- 1a Enter the employee's total taxable wages this payroll period . . . . 1a $______
- 1b Use the amount on line 1a to look up the tentative amount to withhold in the appropriate Wage Bracket Table in this section for your pay frequency, given the employee's marital status (line 3 of Form W-4) and number of allowances claimed. This is the **Tentative Withholding Amount** . . . . 1b $______

Step 2. Figure the Tentative Withholding Amount

- 2a Enter the additional amount to withhold from line 6 of the employee's Form W-4 . . . . 2a $______
- 2b Add lines 1b and 2a. **This is the amount to withhold from the employee's wages this pay period** . . . . 2b $______

2020 Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From Before 2020

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

WEEKLY Payroll Period

If the **Wage Amount** (line 1a) is		**Married Person**										
		And the number of allowances is:										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax withheld shall be:										
$0	**$230**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$230	**$240**	$1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$240	**$250**	$2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$250	**$260**	$3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$260	**$270**	$4	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$270	**$280**	$5	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$280	**$290**	$6	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$290	**$300**	$7	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$300	**$310**	$8	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$310	**$320**	$9	$1	$0	$0	$0	$0	$0	$0	$0	$0	$0
$320	**$330**	$10	$2	$0	$0	$0	$0	$0	$0	$0	$0	$0
$330	**$340**	$11	$3	$0	$0	$0	$0	$0	$0	$0	$0	$0
$340	**$350**	$12	$4	$0	$0	$0	$0	$0	$0	$0	$0	$0
$350	**$360**	$13	$5	$0	$0	$0	$0	$0	$0	$0	$0	$0
$360	**$370**	$14	$6	$0	$0	$0	$0	$0	$0	$0	$0	$0
$370	**$380**	$15	$7	$0	$0	$0	$0	$0	$0	$0	$0	$0
$380	**$390**	$16	$8	$0	$0	$0	$0	$0	$0	$0	$0	$0
$390	**$400**	$17	$9	$1	$0	$0	$0	$0	$0	$0	$0	$0
$400	**$410**	$18	$10	$2	$0	$0	$0	$0	$0	$0	$0	$0
$410	**$420**	$19	$11	$3	$0	$0	$0	$0	$0	$0	$0	$0
$420	**$430**	$20	$12	$4	$0	$0	$0	$0	$0	$0	$0	$0
$430	**$440**	$21	$13	$5	$0	$0	$0	$0	$0	$0	$0	$0
$440	**$450**	$22	$14	$6	$0	$0	$0	$0	$0	$0	$0	$0
$450	**$460**	$23	$15	$7	$0	$0	$0	$0	$0	$0	$0	$0
$460	**$470**	$24	$16	$8	$0	$0	$0	$0	$0	$0	$0	$0
$470	**$480**	$25	$17	$9	$1	$0	$0	$0	$0	$0	$0	$0
$480	**$490**	$26	$18	$10	$2	$0	$0	$0	$0	$0	$0	$0
$490	**$500**	$27	$19	$11	$3	$0	$0	$0	$0	$0	$0	$0
$500	**$510**	$28	$20	$12	$4	$0	$0	$0	$0	$0	$0	$0
$510	**$520**	$29	$21	$13	$5	$0	$0	$0	$0	$0	$0	$0
$520	**$530**	$30	$22	$14	$6	$0	$0	$0	$0	$0	$0	$0
$530	**$540**	$31	$23	$15	$7	$0	$0	$0	$0	$0	$0	$0
$540	**$550**	$32	$24	$16	$8	$0	$0	$0	$0	$0	$0	$0
$550	**$560**	$33	$25	$17	$9	$1	$0	$0	$0	$0	$0	$0
$560	**$570**	$34	$26	$18	$10	$2	$0	$0	$0	$0	$0	$0
$570	**$580**	$35	$27	$19	$11	$3	$0	$0	$0	$0	$0	$0
$580	**$590**	$36	$28	$20	$12	$4	$0	$0	$0	$0	$0	$0
$590	**$600**	$37	$29	$21	$13	$5	$0	$0	$0	$0	$0	$0

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

WEEKLY Payroll Period

If the **Wage Amount** (line 1a) is		**Married Person**										
		And the number of allowances is:										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax withheld shall be:										
$600	**$615**	$38	$30	$22	$14	$6	$0	$0	$0	$0	$0	$0
$615	**$630**	$40	$31	$23	$15	$7	$0	$0	$0	$0	$0	$0
$630	**$645**	$42	$33	$25	$17	$9	$1	$0	$0	$0	$0	$0
$645	**$660**	$44	$34	$26	$18	$10	$2	$0	$0	$0	$0	$0
$660	**$675**	$45	$36	$28	$20	$12	$4	$0	$0	$0	$0	$0
$675	**$690**	$47	$38	$29	$21	$13	$5	$0	$0	$0	$0	$0
$690	**$705**	$49	$39	$31	$23	$15	$7	$0	$0	$0	$0	$0
$705	**$720**	$51	$41	$32	$24	$16	$8	$0	$0	$0	$0	$0
$720	**$735**	$53	$43	$34	$26	$18	$10	$2	$0	$0	$0	$0
$735	**$750**	$54	$45	$35	$27	$19	$11	$3	$0	$0	$0	$0
$750	**$765**	$56	$47	$37	$29	$21	$13	$5	$0	$0	$0	$0
$765	**$780**	$58	$48	$39	$30	$22	$14	$6	$0	$0	$0	$0
$780	**$795**	$60	$50	$40	$32	$24	$16	$8	$0	$0	$0	$0
$795	**$810**	$62	$52	$42	$33	$25	$17	$9	$1	$0	$0	$0
$810	**$825**	$63	$54	$44	$35	$27	$19	$11	$3	$0	$0	$0
$825	**$840**	$65	$56	$46	$36	$28	$20	$12	$4	$0	$0	$0
$840	**$855**	$67	$57	$48	$38	$30	$22	$14	$6	$0	$0	$0
$855	**$870**	$69	$59	$49	$40	$31	$23	$15	$7	$0	$0	$0
$870	**$885**	$71	$61	$51	$42	$33	$25	$17	$9	$0	$0	$0
$885	**$900**	$72	$63	$53	$43	$34	$26	$18	$10	$2	$0	$0
$900	**$915**	$74	$65	$55	$45	$36	$28	$20	$12	$3	$0	$0
$915	**$930**	$76	$66	$57	$47	$37	$29	$21	$13	$5	$0	$0
$930	**$945**	$78	$68	$58	$49	$39	$31	$23	$15	$6	$0	$0
$945	**$960**	$80	$70	$60	$51	$41	$32	$24	$16	$8	$0	$0
$960	**$975**	$81	$72	$62	$52	$43	$34	$26	$18	$9	$1	$0
$975	**$990**	$83	$74	$64	$54	$44	$35	$27	$19	$11	$3	$0
$990	**$1,005**	$85	$75	$66	$56	$46	$37	$29	$21	$12	$4	$0
$1,005	**$1,020**	$87	$77	$67	$58	$48	$38	$30	$22	$14	$6	$0
$1,020	**$1,035**	$89	$79	$69	$60	$50	$40	$32	$24	$15	$7	$0
$1,035	**$1,050**	$90	$81	$71	$61	$52	$42	$33	$25	$17	$9	$1
$1,050	**$1,065**	$92	$83	$73	$63	$53	$44	$35	$27	$18	$10	$2
$1,065	**$1,080**	$94	$84	$75	$65	$55	$46	$36	$28	$20	$12	$4
$1,080	**$1,095**	$96	$86	$76	$67	$57	$47	$38	$30	$21	$13	$5
$1,095	**$1,110**	$98	$88	$78	$69	$59	$49	$39	$31	$23	$15	$7
$1,110	**$1,125**	$99	$90	$80	$70	$61	$51	$41	$33	$24	$16	$8
$1,125	**$1,140**	$101	$92	$82	$72	$62	$53	$43	$34	$26	$18	$10
$1,140	**$1,155**	$103	$93	$84	$74	$64	$55	$45	$36	$27	$19	$11
$1,155	**$1,170**	$105	$95	$85	$76	$66	$56	$47	$37	$29	$21	$13
$1,170	**$1,185**	$107	$97	$87	$78	$68	$58	$48	$39	$30	$22	$14
$1,185	**$1,200**	$108	$99	$89	$79	$70	$60	$50	$41	$32	$24	$16

2020 Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From Before 2020

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

WEEKLY Payroll Period

If the **Wage Amount** (line 1a) is		**Married Person**										
		And the number of allowances is:										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax withheld shall be:										
$1,200	**$1,215**	$110	$101	$91	$81	$71	$62	$52	$42	$33	$25	$17
$1,215	**$1,230**	$112	$102	$93	$83	$73	$64	$54	$44	$35	$27	$19
$1,230	**$1,245**	$114	$104	$94	$85	$75	$65	$56	$46	$36	$28	$20
$1,245	**$1,260**	$116	$106	$96	$87	$77	$67	$57	$48	$38	$30	$22
$1,260	**$1,275**	$117	$108	$98	$88	$79	$69	$59	$50	$40	$31	$23
$1,275	**$1,290**	$119	$110	$100	$90	$80	$71	$61	$51	$42	$33	$25
$1,290	**$1,305**	$121	$111	$102	$92	$82	$73	$63	$53	$43	$34	$26
$1,305	**$1,320**	$123	$113	$103	$94	$84	$74	$65	$55	$45	$36	$28
$1,320	**$1,335**	$125	$115	$105	$96	$86	$76	$66	$57	$47	$37	$29
$1,335	**$1,350**	$126	$117	$107	$97	$88	$78	$68	$59	$49	$39	$31
$1,350	**$1,365**	$128	$119	$109	$99	$89	$80	$70	$60	$51	$41	$32
$1,365	**$1,380**	$130	$120	$111	$101	$91	$82	$72	$62	$52	$43	$34
$1,380	**$1,395**	$132	$122	$112	$103	$93	$83	$74	$64	$54	$45	$35
$1,395	**$1,410**	$134	$124	$114	$105	$95	$85	$75	$66	$56	$46	$37
$1,410	**$1,425**	$135	$126	$116	$106	$97	$87	$77	$68	$58	$48	$38
$1,425	**$1,440**	$137	$128	$118	$108	$98	$89	$79	$69	$60	$50	$40
$1,440	**$1,455**	$139	$129	$120	$110	$100	$91	$81	$71	$61	$52	$42
$1,455	**$1,470**	$141	$131	$121	$112	$102	$92	$83	$73	$63	$54	$44
$1,470	**$1,485**	$143	$133	$123	$114	$104	$94	$84	$75	$65	$55	$46
$1,485	**$1,500**	$144	$135	$125	$115	$106	$96	$86	$77	$67	$57	$47
$1,500	**$1,515**	$146	$137	$127	$117	$107	$98	$88	$78	$69	$59	$49
$1,515	**$1,530**	$148	$138	$129	$119	$109	$100	$90	$80	$70	$61	$51
$1,530	**$1,545**	$150	$140	$130	$121	$111	$101	$92	$82	$72	$63	$53
$1,545	**$1,560**	$152	$142	$132	$123	$113	$103	$93	$84	$74	$64	$55
$1,560	**$1,575**	$153	$144	$134	$124	$115	$105	$95	$86	$76	$66	$56
$1,575	**$1,590**	$155	$146	$136	$126	$116	$107	$97	$87	$78	$68	$58
$1,590	**$1,605**	$157	$147	$138	$128	$118	$109	$99	$89	$79	$70	$60
$1,605	**$1,620**	$159	$149	$139	$130	$120	$110	$101	$91	$81	$72	$62
$1,620	**$1,635**	$161	$151	$141	$132	$122	$112	$102	$93	$83	$73	$64
$1,635	**$1,650**	$162	$153	$143	$133	$124	$114	$104	$95	$85	$75	$65
$1,650	**$1,665**	$164	$155	$145	$135	$125	$116	$106	$96	$87	$77	$67
$1,665	**$1,680**	$166	$156	$147	$137	$127	$118	$108	$98	$88	$79	$69
$1,680	**$1,695**	$168	$158	$148	$139	$129	$119	$110	$100	$90	$81	$71
$1,695	**$1,710**	$170	$160	$150	$141	$131	$121	$111	$102	$92	$82	$73
$1,710	**$1,725**	$171	$162	$152	$142	$133	$123	$113	$104	$94	$84	$74
$1,725	**$1,740**	$173	$164	$154	$144	$134	$125	$115	$105	$96	$86	$76
$1,740	**$1,755**	$175	$165	$156	$146	$136	$127	$117	$107	$97	$88	$78
$1,755	**$1,775**	$179	$167	$158	$148	$138	$129	$119	$109	$100	$90	$80
$1,775	**$1,795**	$183	$170	$160	$150	$141	$131	$121	$112	$102	$92	$83
$1,795	**$1,815**	$188	$172	$163	$153	$143	$133	$124	$114	$104	$95	$85
$1,815	**$1,835**	$192	$175	$165	$155	$146	$136	$126	$116	$107	$97	$87
$1,835	**$1,855**	$197	$179	$167	$158	$148	$138	$129	$119	$109	$99	$90
$1,855	**$1,875**	$201	$183	$170	$160	$150	$141	$131	$121	$112	$102	$92
$1,875	**$1,895**	$205	$188	$172	$162	$153	$143	$133	$124	$114	$104	$95
$1,895	**$1,915**	$210	$192	$175	$165	$155	$145	$136	$126	$116	$107	$97
$1,915	**$1,935**	$214	$197	$179	$167	$158	$148	$138	$128	$119	$109	$99

4. Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later

If you compute payroll manually, your employee has submitted a Form W-4 for 2020 or later, and you prefer to use the Percentage Method or you can't use the Wage Bracket Method tables because the employee's annual wages exceed $100,000, use the worksheet below and the Percentage Method tables that follow to figure federal income tax withholding. This method works for any amount of wages.

Worksheet 4. Employer's Withholding Worksheet for Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later

Keep for Your Records

Note. This illustrates what the 2020 procedure could look like by using the 2019 tax parameters.

Table 5	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 payroll period . . . . . 1a $ ______

1b Enter the number of pay periods you have per year (see Table 5) . . . . . 1b ______

1c Enter the amount from Step 4(a) of the employee's Form W-4 . . . . . 1c $ ______

1d Divide line 1c by the number on line 1b . . . . . 1d $ ______

1e Add lines 1a and 1d . . . . . 1e $ ______

1f Enter the amount from Step 4(b) of the employee's Form W-4 . . . . . 1f $ ______

1g Divide line 1f by the number on line 1b . . . . . 1g $ ______

1h Subtract line 1g from line 1e. If zero or less, enter -0-. This is the **Adjusted Wage Amount** . . . . . 1h $ ______

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

based on your pay frequency, the employee's Adjusted Wage Amount, filing status (Step 1(c) of Form W-4), and whether the box in Step 2 of Form W-4 is checked.

2a Find the row in the *STANDARD Withholding Rate Schedules* (if the box in Step 2 of Form W-4 is NOT checked) or the *Form W-4, Step 2, Checkbox, Withholding Rate Schedules* (if it HAS been checked) of the Percentage Method tables in this section in which the amount on line 1h 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 . . . . . 2a $ ______

2b Enter the amount from column C of that row . . . . . 2b $ ______

2c Enter the percentage from column D of that row . . . . . 2c ______ %

2d Subtract line 2a from line 1h . . . . . 2d $ ______

2e Multiply the amount on line 2d by the percentage on line 2c . . . . . 2e $ ______

2f Add line 2b and line 2e. This is the **Tentative Withholding Amount** . . . . . 2f $ ______

Step 3. **Account for tax credits**

3a Enter the amount from Step 3 of the employee's Form W-4 . . . . . 3a $ ______

3b Divide the amount on line 3a by the number of pay periods on line 1b . . . . . 3b $ ______

3c Subtract line 3b from line 2f. If zero or less, enter -0- . . . . . 3c $ ______

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

4a Enter the additional amount to withhold from Step 4(c) of the employee's Form W-4 . . . . . 4a $ ______

4b Add lines 3c and 4a. **This is the amount to withhold from the employee's wages this pay period** . . . . . 4b $ ______

2020 Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

WEEKLY Payroll Period

STANDARD Withholding Rate Schedules (Use these if the box in Step 2 of Form W-4 is **NOT** checked.)					Form W-4, Step 2, Checkbox, Withholding Rate Schedules (Use these if the box in Step 2 of Form W-4 **IS** checked)				
If the Adjusted Wage Amount (line 1h) is: At least—	But less than—	The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Wage exceeds—	If the Adjusted Wage Amount (line 1h) is: At least—	But less than—	The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Wage exceeds—
A	B	C	D	E	A	B	C	D	E
Married Filing Jointly					**Married Filing Jointly**				
$0	$469	$0.00	0%	$0	$0	$235	$0.00	0%	$0
$469	$842	$0.00	10%	$469	$235	$421	$0.00	10%	$235
$842	$1,988	$37.30	12%	$842	$421	$994	$18.60	12%	$421
$1,988	$3,708	$174.82	22%	$1,988	$994	$1,854	$87.36	22%	$994
$3,708	$6,651	$553.22	24%	$3,708	$1,854	$3,325	$276.56	24%	$1,854
$6,651	$8,319	$1,259.54	32%	$6,651	$3,325	$4,160	$629.60	32%	$3,325
$8,319	$12,245	$1,793.30	35%	$8,319	$4,160	$6,123	$896.80	35%	$4,160
$12,245		$3,167.40	37%	$12,245	$6,123		$1,583.85	37%	$6,123
Single					**Single**				
$0	$235	$0.00	0%	$0	$0	$117	$0.00	0%	$0
$235	$421	$0.00	10%	$235	$117	$211	$0.00	10%	$117
$421	$994	$18.60	12%	$421	$211	$497	$9.40	12%	$211
$994	$1,854	$87.36	22%	$994	$497	$927	$43.72	22%	$497
$1,854	$3,325	$276.56	24%	$1,854	$927	$1,663	$138.32	24%	$927
$3,325	$4,160	$629.60	32%	$3,325	$1,663	$2,080	$314.96	32%	$1,663
$4,160	$10,048	$896.80	35%	$4,160	$2,080	$5,024	$448.40	35%	$2,080
$10,048		$2,957.60	37%	$10,048	$5,024		$1,478.80	37%	$5,024
Head of Household					**Head of Household**				
$0	$353	$0.00	0%	$0	$0	$176	$0.00	0%	$0
$353	$619	$0.00	10%	$353	$176	$310	$0.00	10%	$176
$619	$1,369	$26.60	12%	$619	$310	$685	$13.40	12%	$310
$1,369	$1,972	$116.60	22%	$1,369	$685	$986	$58.40	22%	$685
$1,972	$3,443	$249.26	24%	$1,972	$986	$1,722	$124.62	24%	$986
$3,443	$4,278	$602.30	32%	$3,443	$1,722	$2,139	$301.26	32%	$1,722
$4,278	$10,166	$869.50	35%	$4,278	$2,139	$5,083	$434.70	35%	$2,139
$10,166		$2,930.30	37%	$10,166	$5,083		$1,465.10	37%	$5,083

5. Percentage Method Tables for Manual Payroll Systems With Forms W-4 From Before 2020

If you compute payroll manually and your employee **has not** submitted a Form W-4 for 2020 or later, and you prefer to use the Percentage Method or you can't use the Wage Bracket Method tables because the employee's annual wages exceed $100,000 or the employee claimed more than 10 allowances, use the worksheet below and the Percentage Method tables that follow to figure federal income tax withholding. This method works for any number of withholding allowances claimed and any amount of wages.

Worksheet 5. Employer's Withholding Worksheet for Percentage Method Tables for Manual Payroll Systems With Forms W-4 From Before 2020

Keep for Your Records

Note. This illustrates what the 2020 procedure could look like by using the 2019 tax parameters.

Table 6	Monthly	Semimonthly	Biweekly	Weekly	Daily
	$350	$175	$162	$81	$16

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 allowances claimed on the employee's most recent Form W-4	1b	
1c	Multiply line 1b by the amount in Table 6 for your pay frequency	1c	$
1d	Subtract line 1c from line 1a. If zero or less, enter -0-. This is the **Adjusted Wage Amount**	1d	$

Step 2. Figure the Tentative Withholding Amount

based on your pay frequency, the employee's Adjusted Wage Amount, and marital status (line 3 of Form W-4).

2a	Find the row in the Percentage Method table in this section in which the amount on line 1d 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	2a	$
2b	Enter the amount from column C of that row	2b	$
2c	Enter the percentage from column D of that row	2c	%
2d	Subtract line 2a from line 1d	2d	$
2e	Multiply the amount on line 2d by the percentage on line 2c	2e	$
2f	Add line 2b and line 2e	2f	$
2g	Add line 2b and line 2f. This is the **Tentative Withholding Amount**	2g	$

Step 3. Account for tax credits

3a	Enter the additional amount to withhold from line 6 of the employee's Form W-4	3a	$
3b	Add lines 2g and 3a. **This is the amount to withhold from the employee's wage this pay period**	3b	$

2020 Percentage Method Tables for Manual Payroll Systems With Forms W-4 From Before 2020

Note. This illustrates what the 2020 tables would look like by using the 2019 tax parameters.

WEEKLY Payroll Period

Married Person					**Single Person** (including head of household)				
If the Adjusted Wage Amount (line 1d) is		**The tentative amount to withhold is:**	**Plus this percentage —**	**of the amount that the wage exceeds—**	**If the Adjusted Wage Amount (line 1d) is**		**The tentative amount to withhold is:**	**Plus this percentage —**	**of the amount that the wage exceeds—**
at least—	**But less than—**				**at least—**	**But less than—**			
A	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**
$0	$227	$0.00	0%	$0	$0	$73	$0.00	0%	$0
$227	$600	$0.00	10%	$227	$73	$260	$0.00	10%	$73
$600	$1,745	$37.30	12%	$600	$260	$832	$18.70	12%	$260
$1,745	$3,465	$174.70	22%	$1,745	$832	$1,692	$87.34	22%	$832
$3,465	$6,409	$553.10	24%	$3,465	$1,692	$3,164	$276.54	24%	$1,692
$6,409	$8,077	$1,259.66	32%	$6,409	$3,164	$3,998	$629.82	32%	$3,164
$8,077	$12,003	$1,793.42	35%	$8,077	$3,998	$9,887	$896.70	35%	$3,998
$12,003		$3,167.52	37%	$12,003	$9,887		$2,957.85	37%	$9,887