

Overview of the Draft of the 2020 Form W4

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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 _____	
(c) <input type="checkbox"/> Single or married filing separately <input type="checkbox"/> Married filing jointly (or Qualifying widow(er)) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)	▶ 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	
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.	
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) _____	

You only need to fill out Step 1 and Step 5 (Signature), Steps 2, 3, 4 are OPTIONAL

Only 3 choices, Head of Household is NEW

"Other Depd's" = over the age of 17. Also use this section for other 'credits' like Education and Foreign Tax Credits

Examples:
(a) Rental Income
(b) State Property Taxes, Deductible IRA

Use the Multiple Jobs Worksheet. If you have 2 simultaneous jobs, or your spouse works, or between the 2 of you, you have 3 or more simultaneous jobs, check this box. You may also enter an extra amount in box 4 (c)

This replaces your # of Dependents on the old form!

This amount may NOT equal the total of the 2 lines listed, you may add other 'credits' per instructions.

Use the IRS.gov tax estimator:
<https://apps.irs.gov/app/tax-withholding-estimator>

Helpful information:

FAQs on the draft 2020 W4: <https://www.irs.gov/newsroom/faqs-on-the-draft-2020-form-w-4>

Tips for using the Tax IRS Estimator Program:

1. Gather your most recent pay stubs.
2. Have your most recent income tax return handy; a copy of your completed Form 1040 will help you estimate your 2019 income and other characteristics and speed the process.
3. NOTE the Estimator will NOT ask for sensitive personally identifiable information like your name or social security number.

Tax Estimator: <https://apps.irs.gov/app/tax-withholding-estimator>

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: $\left\{ \begin{array}{l} \bullet \$XX,XXX \text{ if you're married filing jointly or qualifying widow(er)} \\ \bullet \$XX,XXX \text{ if you're head of household} \\ \bullet \$XX,XXX \text{ if you're single or married filing separately} \end{array} \right\}$ 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 \$

Legislative Actions

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	Semi-monthly	Bi-weekly	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 \$9,400 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 \$ _____

Legislative Actions

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.)					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:		The tentative amount to withhold is:	Plus this percentage of the amount that the Adjusted Annual Wage exceeds—	of the amount that the Adjusted Annual Wage exceeds—	If the Adjusted Annual Wage Amount (line 2a) is:		The tentative amount to withhold is:	Plus this percentage of the amount that the Adjusted Annual Wage exceeds—	of the amount that the Adjusted Annual Wage exceeds—
At least	But less than	is:	percentage	Annual Wage exceeds	At least	But less than	is:	percentage	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	\$4,545.00	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
Single					Single				
\$0	\$3,800	\$0.00	0%	\$0	\$0	\$6,100	\$0.00	0%	\$0
\$3,800	\$13,500	\$0.00	10%	\$3,800	\$6,100	\$10,950	\$0.00	10%	\$6,100
\$13,500	\$43,275	\$970.00	12%	\$13,500	\$10,950	\$25,838	\$485.00	12%	\$10,950
\$43,275	\$88,000	\$4,543.00	22%	\$43,275	\$25,838	\$48,200	\$2,271.50	22%	\$25,838
\$88,000	\$164,525	\$14,382.50	24%	\$88,000	\$48,200	\$86,463	\$7,191.25	24%	\$48,200
\$164,525	\$207,900	\$32,748.50	32%	\$164,525	\$86,463	\$108,150	\$16,374.25	32%	\$86,463
\$207,900	\$514,100	\$46,628.50	35%	\$207,900	\$108,150	\$261,250	\$23,314.25	35%	\$108,150
\$514,100		\$153,798.50	37%	\$514,100	\$261,250		\$76,899.25	37%	\$261,250
Head of Household					Head of Household				
\$0	\$9,950	\$0.00	0%	\$0	\$0	\$9,175	\$0.00	0%	\$0
\$9,950	\$23,800	\$0.00	10%	\$9,950	\$9,175	\$16,100	\$0.00	10%	\$9,175
\$23,800	\$62,800	\$1,385.00	12%	\$23,800	\$16,100	\$35,600	\$692.50	12%	\$16,100
\$62,800	\$94,150	\$6,065.00	22%	\$62,800	\$35,600	\$51,275	\$3,032.50	22%	\$35,600
\$94,150	\$170,650	\$12,962.00	24%	\$94,150	\$51,275	\$89,525	\$6,481.00	24%	\$51,275
\$170,650	\$214,050	\$31,322.00	32%	\$170,650	\$89,525	\$111,225	\$15,661.00	32%	\$89,525
\$214,050	\$520,250	\$45,210.00	35%	\$214,050	\$111,225	\$264,325	\$22,605.00	35%	\$111,225
\$520,250		\$152,380.00	37%	\$520,250	\$264,325		\$76,190.00	37%	\$264,325

Legislative Actions

The withholding scenarios

For these scenarios, Fred Smith is married and is paid a weekly salary of \$1,750.00.

Scenario 1 (no new Form W-4 is submitted and the employer has an automated payroll system).

On the Form W-4 Fred submitted before 2020, Fred claimed married with 5 allowances. On Worksheet 1: Employer's Withholding Worksheet for Percentage Method Tables for Automated Payroll Systems, the employer should complete Lines 1a-1c and skip Lines 1d-1i. The calculation results in a withholding amount of \$126.85. The worksheet would be completed as follows:

		Adjust the employee's wage amount
Line 1a	\$1,750.00	Wages per payroll period
Line 1b	52	Pay periods per year
Line 1c	\$91,000	1a x 1b
Line 1d		
Line 1e		
Line 1f		
Line 1g		
Line 1h		
Line 1i		
Line 1j	5	# of allowances from pre-2020 Form W-4
Line 1k	\$21,000.00	1j x \$4,200
Line 1l	\$70,000 (this is the Adjusted Annual Wage Amount)	1c - 1k
		Figure the Tentative Withholding Amount
Line 2a	\$70,000.00	1l (Adjusted Annual Wage Amount from above)
Line 2b	\$31,200.00	In the Annual Percentage Method table, find the row 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.
Line 2c	\$1,940.00	Amount from column C in the row (identified in Step 2b) of the Annual Percentage Method table
Line 2d	12%	% from column D in the row (identified in Step 2b) of the Annual Percentage table
Line 2e	\$38,800.00	2a - 2b
Line 2f	\$4,656.00	2e x 2d
Line 2g	\$6,596.00	2c + 2f

Legislative Actions

Line 2h	\$126.85 (this is the Tentative Withholding Amount)	2g / 1b
		Account for Tax Credits
Line 3a	\$0	0 (this is for Step 2 of 2020 Form W-4 or 0)
Line 3b	\$0	3a / 1b (since 3a is 0, this line is 0)
Line 3c	\$126.85 (this is the withholding amount after accounting for tax credits)	2h - 3b
		Figure the final amount to withhold
Line 4a	\$0	Additional withholding amount from Line 6 of the pre-2020 Form W-4
Line 4b	\$126.85 (this is the final withholding amount)	3c + 4a

Scenario 2 (new Form W-4 is submitted and the employer has an automated payroll system).

For this scenario, Fred Smith is married and is paid a weekly salary of \$1,750.00. Fred completes a 2020 Form W-4, claims married, but does not mark the checkbox in Step 2, and he does not complete Steps 3 or 4. On Worksheet 1, the employer skips Lines 1j-1l. Because Fred did not mark the box in Step 2, the employer will use the Standard Withholding Rate Schedules. The calculation results in a withholding amount of \$146.23.

		Adjust the employee's wage amount
Line 1a	\$1,750	Wages per payroll period
Line 1b	52	Pay periods per year
Line 1c	\$91,000.00	1a x 1b
Line 1d	\$0	Amount on Step 4(a) of the 2020 Form W-4
Line 1e	\$91,000.00	1c + 1d
Line 1f	\$0	Amount on Step 4(b) of the 2020 Form W-4
Line 1g	\$12,600.00	If the box in Step 2 of the 2020 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.
Line 1h	\$12,600.00	1f + 1g
Line 1i	\$78,400.00 (this is the Adjusted Annual Wage Amount)	1e - 1h
Line 1j		
Line 1k		
Line 1l		

Legislative Actions

		Figure the Tentative Withholding Amount
Line 2a	\$78,400.00	1i (Adjusted Annual Wage Amount from above)
Line 2b	\$31,200.00	In the Annual Percentage Method table, find the row 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.
Line 2c	\$1,940.00	Amount from column C in the row (identified in Line 2b) of the Annual Percentage Method table
Line 2d	12%	% from column D in the row (identified in Line 2b) of the Annual Percentage table
Line 2e	\$47,200.00	2a - 2b
Line 2f	\$5,664.00	2e x 2d
Line 2g	\$7,604.00	2c + 2f
Line 2h	\$146.23 (this is the Tentative Withholding Amount)	2g / 1b
		Account for tax credits
Line 3a	\$0	\$0 because nothing was entered in Step 3 on the 2020 Form W-4
Line 3b	\$0	3a / 1b (since 3a is 0, this line is 0)
Line 3c	\$146.23 (this is the withholding amount after accounting for tax credits)	2h - 3b
		Figure the final amount to withhold
Line 4a	\$0	Additional withholding amount from Step 4(c) of the 2020 Form W-4
Line 4b	\$146.23 (this is the final withholding amount)	3c + 4a

Scenario 3 (new form W-4 is submitted, optional steps are completed, and the employer has an automated payroll system).

Fred completes a 2020 Form W-4, claims married, marks the box in step 2, and completes steps 3 and 4. The amounts from his W-4 are: step 3 = \$6,500.00 (dependents); step 4(a) = \$26,000.00 (other income); step 4(b) = \$2,600.00 (deductions); and step 4(c) = \$100.00 (extra withholding). The employer will use Worksheet 1 and the Form W-4, Step 2, Checkbox Withholding Rate Schedules because Fred marked the box in Step 2. The resulting withholding for Fred is \$334.66 per pay period.

Legislative Actions

		Adjust the employee's wage amount
Line 1a	\$1,750.00	Wages per payroll period
Line 1b	52	Pay periods per year
Line 1c	\$91,000.00	1a x 1b
Line 1d	\$26,000.00	Amount on Step 4(a) of the 2020 Form W-4
Line 1e	\$117,000.00	1c + 1d
Line 1f	\$2,600.00	Amount on Step 4(b) of the 2020 Form W-4
Line 1g	\$0	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.
Line 1h	\$2,600.00	1f + 1g
Line 1i	\$114,400.00 (this is the Adjusted Annual Wage Amount)	1e - 1h
Line 1j		
Line 1k		
Line 1l		
		Figure the Tentative Withholding Amount
Line 2a	\$114,400.00	1i (Adjusted Annual Wage Amount from above)
Line 2b	\$96,400.00	In the Annual Percentage Method table, find the row 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.
Line 2c	\$14,382.50	Amount from column C in the row (identified in Line 2b) of the Annual Percentage Method table
Line 2d	24%	% from column D in the row (identified in Step 2b) of the Annual Percentage table
Line 2e	\$18,000.00	2a - 2b
Line 2f	\$4,320.00	2e x 2d
Line 2g	\$18,702.50	2c + 2f
Line 2h	\$359.66 (this is the Tentative Withholding Amount)	2g / 1b

Legislative Actions

		Account for tax credits
Line 3a	\$6,500.00	Amount on Step 3 of the 2020 Form W-4
Line 3b	\$125.00	3a / 1b
Line 3c	\$234.66 (this is the withholding amount after accounting for tax credits)	2h - 3b
		Figure the final amount to withhold
Line 4a	\$100.00	Additional withholding amount on Step 4(c) of the 2020 Form W-4
Line 4b	\$334.66 (this is the final withholding amount)	3c + 4a

Scenario 4 (new Form W-4 is submitted and the employer has a manual payroll system).

Fred completes a 2020 Form W-4, claims married, but does not mark the box in step 2, nor does he complete steps 3 or 4. The employer uses the Wage Bracket Method and will work through Worksheet 2, Employer's Withholding Worksheet for Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later, to calculate the withholding amount. The resulting withholding calculation for Fred is \$147.00 per pay period. The worksheet would be completed as follows:

		Adjust the employee's wage amount
Line 1a	\$1,750.00	Wages per payroll period
Line 1b	52	Pay periods per year
Line 1c	\$0	Amount from Step 4(a) of the 2020 Form W-4
Line 1d	\$0	1c / 1b
Line 1e	\$1,750.00	1a + 1d
Line 1f	\$0	Amount from Step 4(b) of the 2020 Form W-4
Line 1g	\$0	1f / 1b
Line 1h	\$1,750.00 (this is the Adjusted Annual Wage Amount)	1e - 1g
		Figure the Tentative Withholding Amount
Line 2a	\$147.00 (this is the Tentative Withholding Amount)	Using the appropriate Wage Bracket Table, find the withholding amount corresponding to the Adjusted Annual Wage Amount on line 1h
		Account for tax credits
Line 3a	\$0	Amount from Step 3 of the 2020 Form W-4
Line 3b	0	3a / 1b
Line 3c	\$147.00 (this is the withholding amount after accounting for tax credits)	2a - 3b

Legislative Actions

		Figure the final amount to withhold
Line 4a	\$0	Additional withholding amount from Step 4(c) of the 2020 Form W-4
Line 4b	\$147.00 (this is the final withholding amount)	3c + 4a

Scenario 5 (no new Form W-4 is submitted and the employer has a manual payroll system).

On the Form W-4 that Fred submitted before 2020, Fred claimed married with 5 allowances. The employer uses the Wage Bracket Method and will use Worksheet 3, Employer's Withholding Worksheet for Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From Before 2020, to figure the withholding amount. The resulting withholding calculation for Fred is \$127.00 per pay period. The worksheet would be completed as follows:

		Figure the Tentative Withholding Amount
Line 1a	\$1,750.00	Wages per payroll period
Line 1b	\$127.00 (this is the Tentative Withholding Amount)	Using the appropriate Wage Bracket Table, find the withholding amount corresponding to the adjusted amount on line 1a
		Figure the amount withhold this pay period
Line 2a	\$0	Amount from Line 6 of the pre-2020 Form W-4
Line 2b	\$127.00 (this is the amount withhold this pay period)	1b + 2a

Scenario 6 (new Form W-4 is submitted and the employer has a manual payroll system).

Fred is paid a weekly salary of \$1,750. Fred completes a 2020 Form W-4, claims married, but does not mark the box in step 2, nor does he complete steps 3 or 4. The employer uses the Percentage Method and will work through Worksheet 4. Employer's Withholding Worksheet for Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later, to calculate the withholding amount. The resulting withholding calculation for Fred is \$146.26 per pay period. The worksheet would be completed as follows:

		Adjust the employee's wage amount
Line 1a	\$1,750.00	Wages per payroll period
Line 1b	52	Pay periods per year
Line 1c	\$0	Amount from Step 4(a) of the 2020 Form W-4
Line 1d	\$0	1c / 1b
Line 1e	\$1,750.00	1a + 1d
Line 1f	\$0	Amount from Step 4(b) of the 2020 Form W-4
Line 1g	\$0	1f / 1b

Legislative Actions

Line 1h	\$1,750.00 (this is the adjusted wage amount)	1e - 1g
		Figure the Tentative Withholding Amount
Line 2a	\$842.00	In the appropriate Withholding Rate Schedule of the Annual Percentage Method table, find the row 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.
Line 2b	\$37.30	Amount from column C in the row (identified in Line 2a) of the Annual Percentage Method table
Line 2c	12%	% from column D in the row (identified in Step 2a) of the Annual Percentage table
Line 2d	\$908.00	1h - 2a
Line 2e	\$108.96	2d x 2c
Line 2f	\$146.26 (this is the Tentative Withholding Amount)	2b + 2e
		Account for tax credits
Line 3a	\$0	Amount from Step 3 of the 2020 Form W-4
Line 3b	\$0	3a / 1b
Line 3c	\$146.26 (this is the withholding amount after accounting for tax credits)	2f - 3b
		Figure the final amount to withhold
Line 4a	\$0	Additional withholding amount from Step 4(c) of the 2020 Form W-4
Line 4b	\$146.26 (this is the final withholding amount)	3c + 4a

IRS Releases Tax Withholding Estimator, Encourages 'Paycheck Checkup'

The IRS is continuing its effort for employers to encourage employees to check current withholding by using its new tax withholding estimator tool to perform a "paycheck checkup" [IRS Tax Reform Tax Tip 2019-111, 8-15-19]. The IRS released the tax withholding estimator tool in August to replace the withholding calculator

New Features

The mobile-friendly tax withholding estimator offers new features, including: plain language; a progress tracker to help users see how much more information is needed; the ability to correct previous entries and to skip questions; and enhanced tips and links to help determine if tax credits and deductions apply.