# Form W-4 Updates and Examples

Tax and Administration 1/9/2020

### Agenda

#### **Reminders and updates**

- Existing employees
- New hires
- Rehires
- Exemption from withholding preview
- Lock in letters
- NRAs

#### **Withholding Examples**

- Extra withholding
- Dependents

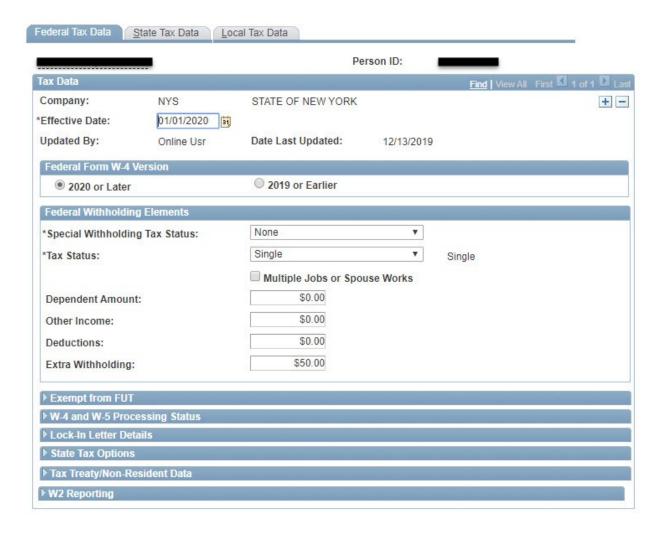
#### Reminders and Updates

- Existing employees
  - Existing employees paid before 2020 are not required to submit a new Form W-4.
  - Allowance amount for employees using Form W-4 version 2019 or Earlier is \$4,300.
- Any employee hired 1/1/2020 or after must use the Form W-4 version 2020 or Later. It is the agencies' responsibility to use the appropriate form.
- We will be modifying Bulletin 1800 to reflect new IRS guidance regarding rehires that was included in the final versions of Publication 15-T and Publication 15. Employees rehired in 2020 and who were paid in 2019 must submit a new Form W-4, with two exceptions:
  - Rehires with existing lock in letters that were not released will continue to be withheld according to the lock in letter on record.
  - Rehires who did not submit a Form W-4 in 2019 should continue to be withheld as Single, no allowances.

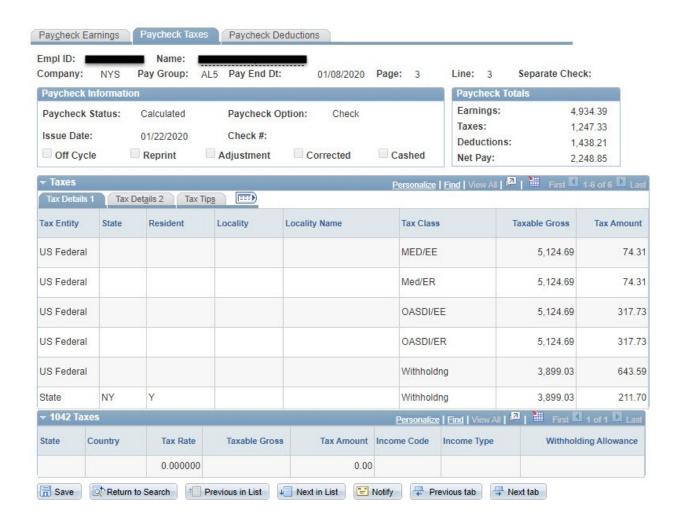
#### Reminders and Updates

- We will be issuing a bulletin later this month regarding employees requesting exemption from Federal, State and/or local withholding. As in the past, for Federal exemption, employees will need to submit a new Form W-4 by February 15. If an employee who was exempt in 2019 does not submit a new Form W-4, then their Federal tax data will need to be updated to reflect that a Form W-4 version 2020 or Later was not received (i.e., Single, no other adjustments).
- We are still waiting for revisions of the lock in letter to reflect the new Form W-4.
   However, we are currently processing lock in letters received in 2019 and, per IRS guidance, will be modifying employees' Form W-4 version 2019 or Earlier.
- The IRS has not yet revised Notice 1392 regarding nonresident aliens. However, Publication 15-T does include instructions for withholding depending on which version of the Form W-4 that the employee is using.

Department of the T Internal Revenue Se		pay.	20 <b>20</b>	
Step 1:	(a) First name and middle initial Last name	(b) Sc	cial security number	
Enter Personal Information	dress sy or town, state, and ZIP code		► Does your name match th name on your social securit card? If not, to ensure you ge credit for your earnings, contac 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 you pps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information from withholding, when to use the online estimator, and privacy.			
Step 2: Multiple Jobs or Spouse Works	Do <b>only one</b> of the following.  (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step  (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for rough  (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for is accurate for jobs with similar pay; otherwise, more tax than necessary may be withhout TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spous income, including as an independent contractor, use the estimator.	(and some set of the other of the other) have	Steps 3–4); or urate withholding; o her job. This option	
	ips 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other job ate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)	os. (Yo	our withholding wil	
Step 3:	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):	Π		
	Multiply the number of qualifying children under age 17 by \$2 000 ▶ \$			
Step 3: Claim Dependents	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 3: Claim Dependents Step 4 (optional): Other	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 4(a)		
Step 3: Claim Dependents Step 4 (optional):	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		\$	



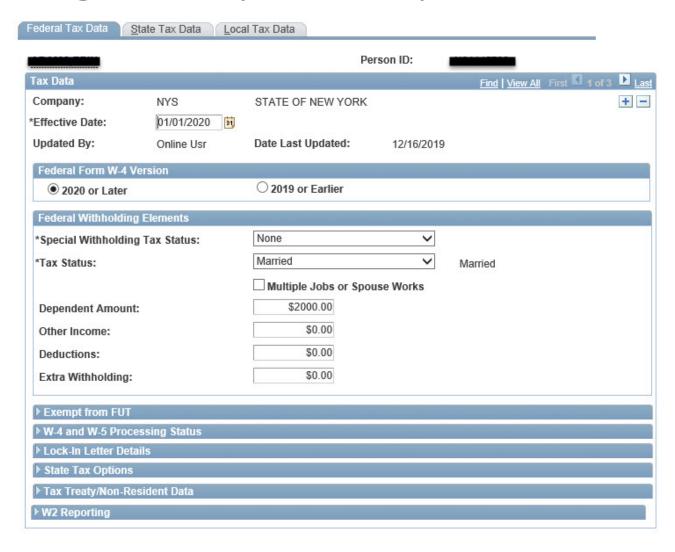
Biweekly amount	3,899.03
Number of pay periods	26.00
Annualized amount	101,374.78
4a amount (other income)	-
Sub-total	101,374.78
4b amount (other deductions)	-
Box 2 checked?	N
Standard deduction	(8,600.00)
Subtotal	(8,600.00)
Adjusted annual wage	92,774.78
Low tax	14,605.50
Additional ((98,933.80-89,325.00)*.24)	827.95
Subtotal	15,433.45
Dependents	-
Subtotal	15,433.45
Biweekly (divide by 26)	593.59
Extra withholding	50.00
Final withholding	643.59



# Withholding Example: Dependent Amount

Form W-4 Department of the Treasury Internal Revenue Service		Employ	ee's Withholding Certif	icate	L	OMB No. 1545-0074		
		➤ Your withholding is subject to review by the IRS.			oay.	2020		
Step 1:	(a) F	irst name and middle initial	Last name		(b) Sc	ocial security number		
Enter Personal Information	Addre	988			name	s your name match the		
	City	y or town, state, and ZIP code				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 w Head of household (Check only if yo	vidow(er)) u're unmarried and pay more than half the costs	of keeping up a home for your	rself an	d a qualifying individual.		
		-4 ONLY if they apply to you; om withholding, when to use the	otherwise, skip to Step 5. See page online estimator, and privacy.	e 2 for more information	on e	each step, who can		
Step 2: Multiple Jobs	5	Complete this step if you (1) hold more than one job at a time, or (2) are married filling jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.						
or Spouse Works		Do <b>only one</b> of the following.						
WOIKS		(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); or						
		<ul> <li>(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or</li> <li>(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</li></ul>						
			a 2020 Form W-4 for all other jobs. bendent contractor, use the estimato	, ,	) hav	e self-employment		
			NE of these jobs. Leave those steps the Form W-4 for the highest paying		s. (Yo	our withholding wil		
Step 3:		If your income will be \$200,00	00 or less (\$400,000 or less if married	d filing jointly):				
Claim Dependents	5	Multiply the number of qua	lifying children under age 17 by \$2,00	0▶ \$ 2000				
		Multiply the number of oth	ner dependents by \$500	<b>▶</b> <u>\$</u>				
		Add the amounts above and	enter the total here		3	\$ 2000		
Step 4 (optional): Other			iobs). If you want tax withheld for oth vithholding, enter the amount of other and retirement income	,	4(a)	\$		
Adjustments	5		ct to claim deductions other than the withholding, use the Deductions World (1997).		4(b)	\$		
		(c) Extra withholding. Enter	any additional tax you want withheld	each pay period .	4(c)	\$		

### Withholding example: Dependent Amount



# Withholding example: Dependent Amount

Biweekly amount		2,416.74
Number of pay periods		26.00
Annualized amount		62,835.24
4a amount (other income)		-
	Subtotal	62,835.24
4b amount (other deductions)		-
Box 2 checked?		N
Standard deduction		(12,900.00)
	6 1	(42.000.00)
	Subtotal	(12,900.00)
		40.005.04
Adjusted annual wage		49,935.24
Low tax		1,975.00
Additional ((49,935.24-31,650.00)*		2,194.23
	Subtotal	4,169.23
Dependents		2,000.00
	Subtotal	2,169.23
Biweekly (divide by 26)		83.43
Ex	tra withholding	-
Final withholding		83.43

## Withholding example: Dependent Amount

