



Agenda

- Introduce the IRS 2020 W-4 form
- Provide guidance on completing the 2020 W-4
- Introduce changes to Employee Set up screen



2020 W-4

Employee's Withholding Certificate

▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
▶ Give Form W-4 to your employer.
▶ Your withholding is subject to review by the IRS.

2020

Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
	City or town, state, and ZIP code		
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly (or Qualifying widow(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.)		

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

Step 2: 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.

Multiple Jobs or Spouse Works

Do only one of the following.

(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4); or

(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or

(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld ▶

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

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

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

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)



Form **W-4**

Employee's Withholding Certificate

OMB No. 1545-0074

Department of the Treasury
Internal Revenue Service

- ▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
- ▶ Give Form W-4 to your employer.
- ▶ Your withholding is subject to review by the IRS.

2020

Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
	City or town, state, and ZIP code		
	(c) <input checked="" type="checkbox"/> Single or Married filing separately <input checked="" type="checkbox"/> Married filing jointly (or Qualifying widow(er)) <input checked="" 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.)		

2020 W-4 - Step 1



Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

Step 2: 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.

**Multiple Jobs
or Spouse
Works**

Do only one of the following.

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



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

2020 W-4 - Step 2



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

Step 3: If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
Claim Dependents	Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ <u>4,000</u>	
	Multiply the number of other dependents by \$500 ▶ \$ _____	
Add the amounts above and enter the total here		3 \$ 4,000

2020 W-4 - Step 3



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

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

2020 W-4 – Step 4



Step 2(b) – Multiple Jobs Worksheet (Keep for your records.)



If you choose the option in Step 2(b) on Form W-4, complete this worksheet (which calculates the total extra tax for all jobs) on **only ONE** Form W-4. Withholding will be most accurate if you complete the worksheet and 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.

1 Two jobs. If you have two jobs or you're married filing jointly and you and your spouse each have one job, 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.

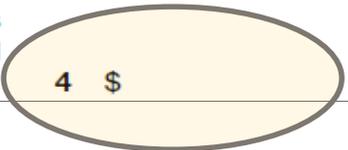
a Find the amount from the appropriate table on page 4 using the annual wages from the highest paying job in the "Higher Paying Job" row and the annual wages for your next highest paying job in the "Lower Paying Job" column. Find the value at the intersection of the two household salaries and enter that 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 this amount 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. 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 W-4 – Worksheets



Step 4(b) – Deductions Worksheet *(Keep for your records.)*



1	Enter an estimate of your 2020 itemized deductions (from Schedule A (Form 1040 or 1040-SR)). 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: <table border="0" style="display: inline-table; vertical-align: middle;"> <tr> <td style="font-size: 3em; vertical-align: middle;">{</td> <td style="vertical-align: middle;"> <ul style="list-style-type: none"> • \$24,800 if you're married filing jointly or qualifying widow(er) • \$18,650 if you're head of household • \$12,400 if you're single or married filing separately </td> <td style="font-size: 3em; vertical-align: middle;">}</td> </tr> </table>	{	<ul style="list-style-type: none"> • \$24,800 if you're married filing jointly or qualifying widow(er) • \$18,650 if you're head of household • \$12,400 if you're single or married filing separately 	}	2	\$ _____
{	<ul style="list-style-type: none"> • \$24,800 if you're married filing jointly or qualifying widow(er) • \$18,650 if you're head of household • \$12,400 if you're single or married filing separately 	}				
3	If line 1 is greater than line 2, subtract line 2 from line 1. If line 2 is greater than line 1, enter "-0-" . . .	3	\$ _____			
4	Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments (from Schedule 1 (Form 1040 or 1040-SR)). 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	\$ _____			



2020 W-4 – Worksheets



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.		
	 _____ 		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)

2020 W-4 – Step 5



Form **W-4**

Employee's Withholding Certificate

OMB No. 1545-0074

Department of the Treasury
Internal Revenue Service

- ▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
- ▶ Give Form W-4 to your employer.
- ▶ Your withholding is subject to review by the IRS.

2020

Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
	City or town, state, and ZIP code		
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly (or Qualifying widow(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.)		
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)

Minimum for Valid 2020 W-4

2020 EXEMPT W-4

Form W-4 Department of the Treasury Internal Revenue Service		Employee's Withholding Certificate		OMB No. 1545-0074 2020
▶ 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.				
Step 1: Enter Personal Information	(a) First name and middle initial <i>Employee's first name & initial</i>		Last name <i>Employee's last name</i>	
	Address <i>Employee's street address</i>		(b) Social security number ▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov.	
	City or town, state, and ZIP code <i>Employee's city, state and zip code</i>			
	(c) <input checked="" 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.)		<i>employee is not required to complete 1(c)</i>	
Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.				
Step 2: Multiple Jobs or Spouse Works	Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs. Do only one of the following. (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4); or (b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or (c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld <input type="checkbox"/> TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.			
Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)				
Step 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 (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income		4(a) \$	
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here		4(b) \$	
	(c) Extra withholding. Enter any additional tax you want withheld each pay period		4(c) \$	
<i>Exempt</i>				
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. ▶ <i>employee signature</i> Employee's signature (This form is not valid unless you sign it.)			
			▶ <i>xx/xx/xxxx</i> Date	
Employers Only	Employer's name and address	First date of employment	Employer identification number (EIN)	

Write in
 Exempt
 under
 line 4c



Defaults – 2020 W-4

- If no W-4 or invalid W-4
 - ❖ Filing status: Single/Married Filing Separately
 - ❖ No other adjustments allowed
- NRA employee
 - ❖ Federal filing status: Single/Married Filing Separately
 - ❖ “NRA” written under line 4(c)

Form W-4 Employee's Withholding Certificate
 OMB No. 1545-0074
2020
 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.

Step 1: Enter Personal Information

(a) First name and middle initial: *Employee's first name & initial*
 Last name: *Employee's last name*

(b) Social security number: _____

Address: *Employee's street address*
 City or town, state, and ZIP code: *Employee's city, state and zip code*

(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.)

NRA employee must claim single on 1(c)

► 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.

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

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.

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

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

Step 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 \$ _____

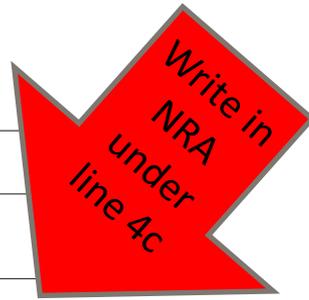
Step 4 (optional): Other Adjustments

(a) **Other income (not from jobs).** If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income 4(a) \$ _____

(b) **Deductions.** If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here 4(b) \$ _____

(c) **Extra withholding.** Enter any additional tax you want withheld each pay period 4(c) \$ _____

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.

Employee's signature: *employee signature* Date: *xx/xx/xxxx*

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

Employers Only

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



When a 2020 W-4 is Required

- Employees hired in 2020
- Employees who claimed exempt in 2019
- NRA employees claiming 2020 tax treaty benefits
- Employees who want to adjust their withholding for 2020

IRS recommends all employee's review their withholding in early 2020 using the IRS Tax Withholding Estimator at www.irs.gov/W4App



FORM M-4

- **What's New?**

- ❖ Beginning in 2020, federal Form W-4 does not use withholding allowances.
- ❖ Employees who complete IRS 2020 Form W-4, **must** complete Massachusetts Form M-4
- ❖ NRA's may claim 1 allowance



2020 RULES FOR M-4

- **Your employee must provide you a completed Form M-4 if any of the following apply:**
 - They submit a 2020 federal W-4
 - Claim exemption from MA income tax withholding
 - Request additional Massachusetts withholding
- If the employee does not complete a Form M-4, withhold Massachusetts tax as if the employee is single with zero withholding allowances.