







HSS Webinar January 17, 2020

New W4 for Year 2020





W4 Processing Release Overview

- The new W4 software Release Version 1.61.1 w/hotfix
- Last updated January 15, 2020 9:45 am Build 14.5
- Server only no Client update



New W4 for Year 2020 General Overview

- IRS publications and forms for 2020 (Publication 15-T | Form W4)
 - https://www.irs.gov/pub/irs-pdf/p15t.pdf
 - https://www.irs.gov/pub/irs-pdf/fw4.pdf
- Software changes to the Employee Maintenance W4 screen
- Software changes to Tax Tables
 HR Code Maintenance #2 / United States Income Tax (TT01/C)
- Software changes to Payroll calculations (pay002)
- Software changes to the Payroll Pre-List (pay510)
- Future software changes Q2
 - W4 data split from Control data
 - Tax Tables will include the additional Exemption fields



FAQ's for Form W4

General FAQs

1. Why redesign Form W-4?

The new design reduces the form's complexity and increases the transparency and accuracy of the withholding system. While it uses the same underlying information as the old design, it replaces complicated worksheets with more straightforward questions that make accurate withholding easier for employees.

2. What happened to withholding allowances?

Allowances are no longer used for the redesigned Form W-4. This change is meant to increase transparency, simplicity, and accuracy of the form. In the past, the value of a withholding allowance was tied to the amount of the personal exemption. Due to changes in law, currently you cannot claim personal exemptions or dependency exemptions.

3. Are all employees required to furnish a new Form W-4?

No. Employees who have furnished Form W-4 in any year before 2020 are not required to furnish a new form merely because of the redesign. Employers will continue to compute withholding based on the information from the employee's most recently furnished Form W-4.





FAQ's for Form W4

Employer FAQs

15. Are new employees first paid after 2019 required to use the redesigned form?

Yes. All new employees first paid after 2019 must use the redesigned form. Similarly, any other employee who wishes to adjust their withholding must use the redesigned form.

16. How do I treat new employees first paid after 2019 who do not furnish a Form W-4?

New employees first paid after 2019 who fail to furnish a Form W-4 will be treated as a single filer with no other adjustments. This means that a single filer's standard deduction with no other entries will be taken into account in determining withholding. This treatment also generally applies to employees who previously worked for you who were rehired in 2020 and did not furnish a new Form W-4.

17. What about employees paid prior to 2020 who want to adjust withholding from their pay dated January 1, 2020, or later?

Employees must use the redesigned form.



FAQ's for Form W4

18. May I ask all of my employees paid before 2020 to furnish new Forms W-4 using the redesigned version of the form?

Yes. You may ask, but as part of the request you should explain that:

- · they are not required to furnish a new Form W-4, and
- if they do not furnish a new Form W-4, withholding will continue based on a valid form previously furnished.

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

19. Will there still be an adjustment for nonresident aliens?

Yes. The IRS will provide instructions in the 2020 Publication 15-T, Federal Income Tax Withholding Methods, on the additional amounts that should be added to wages to determine withholding for nonresident aliens. Additionally, nonresident alien employees should continue to follow the special instructions in Notice 1392 when completing their Forms W-4.

20. When can we start using the new 2020 Form W-4?

The new 2020 Form W-4 can be used now with respect to wages to be paid in 2020.





Form W4

Department of the Tr Internal Revenue Ser	, M	2020					
Step 1:	(a) First name and middle initial Last name	(b) Social security number					
Enter Personal	Address	➤ Does your name match the name on your social security card? If not, to ensure you get					
Information	City or town, state, and ZIP code	credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov.					
	(c) Single or Married filing separately	(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 y ps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information						
	ps 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. Complete this step if you (1) hold more than one job at a time, or (2) are married filing the step in the step	ion on each step, who car					
Step 2:	ps 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. Complete this step if you (1) hold more than one job at a time, or (2) are married filing the step in the step	ion on each step, who car					
Step 2: Multiple Jobs	ps 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. Complete this step if you (1) hold more than one job at a time, or (2) are married filing also works. The correct amount of withholding depends on income earned from all of the	ion on each step, who car ng jointly and your spouse hese jobs.					
Step 2: Multiple Jobs or Spouse	ps 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. Complete this step if you (1) hold more than one job at a time, or (2) are married filing also works. The correct amount of withholding depends on income earned from all of the Do only one of the following.	ion on each step, who car ng jointly and your spouse hese jobs. ep (and Steps 3-4); or					
Step 2: Multiple Jobs or Spouse	ps 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. Complete this step if you (1) hold more than one job at a time, or (2) are married filir also works. The correct amount of withholding depends on income earned from all of the Do only one of the following. (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step.	ion on each step, who car ng jointly and your spouse hese jobs. op (and Steps 3–4); or ghly accurate withholding; or or the other job. This option					



Form W4

		_	
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 ▶		
	Multiply the number of other dependents by \$500 ▶		
	Add the amounts above and enter the total here	3	S
Step 4 (optional):	(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		
Other	include interest, dividends, and retirement income	4(a)	S
Adjustments	(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)	s
Step 5:	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, cor	rect, a	nd complete.
Sign Here			
	Employee's signature (This form is not valid unless you sign it.)	е	
Employers Only		mploye	er identification (EIN)
Jiny			
For Privacy Act	and Paperwork Reduction Act Notice, see page 3. Cat. No. 10220Q		Form W-4 (20



Form W4 – Worksheet Step 2(b)

Form W-4 (2020) Page **3**

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	Φ



Form W4 – Worksheet Step 4(b)

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 7.5% of your income	1	\$	
2	Enter: • \$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	\$	
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 Part II of 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	\$	

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 may also 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.

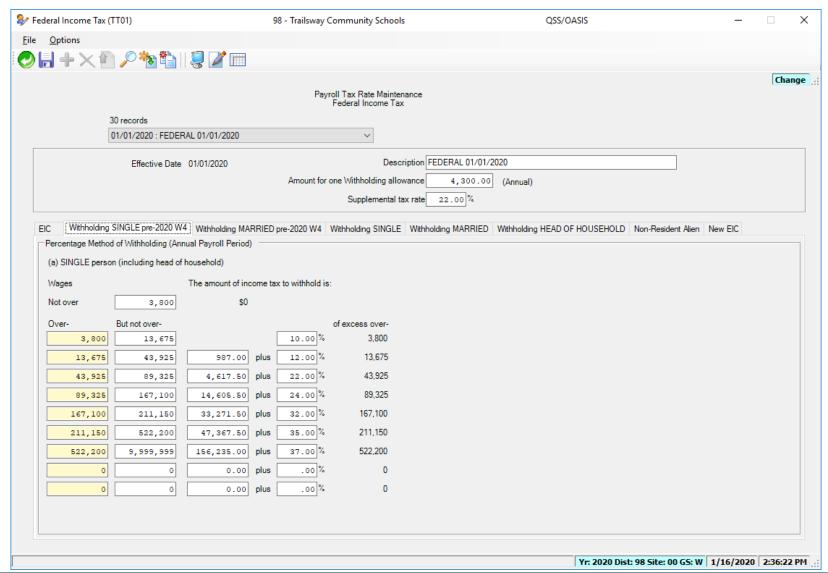
You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration 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.

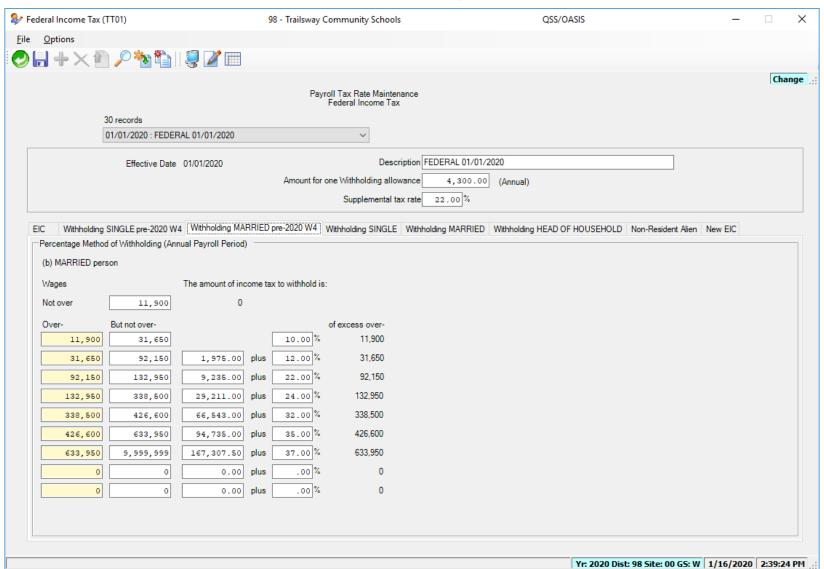




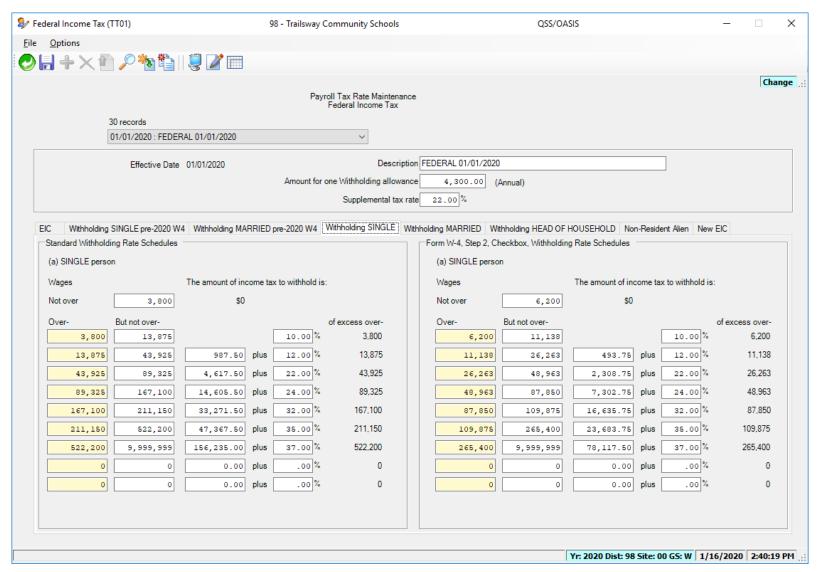




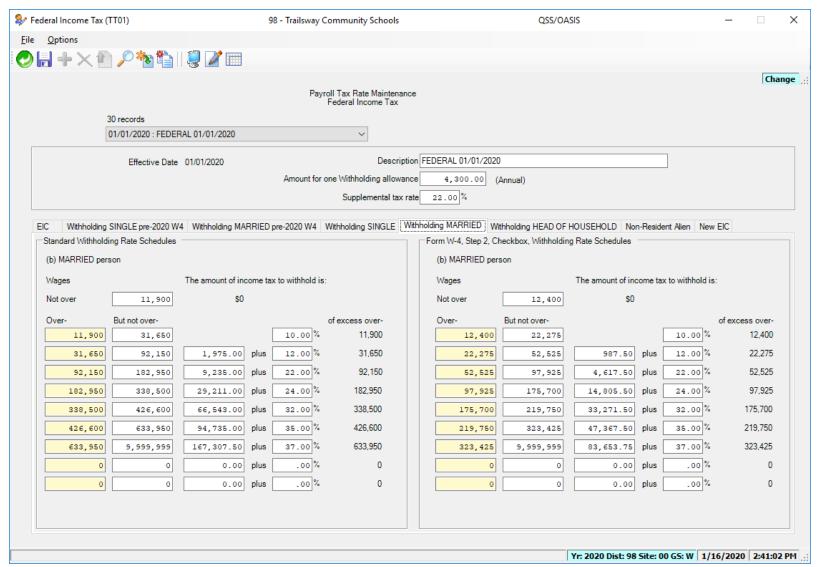






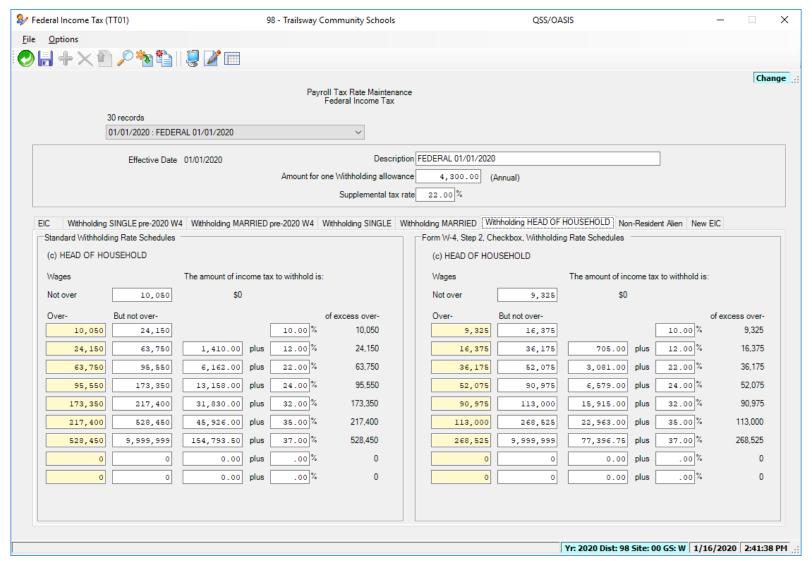




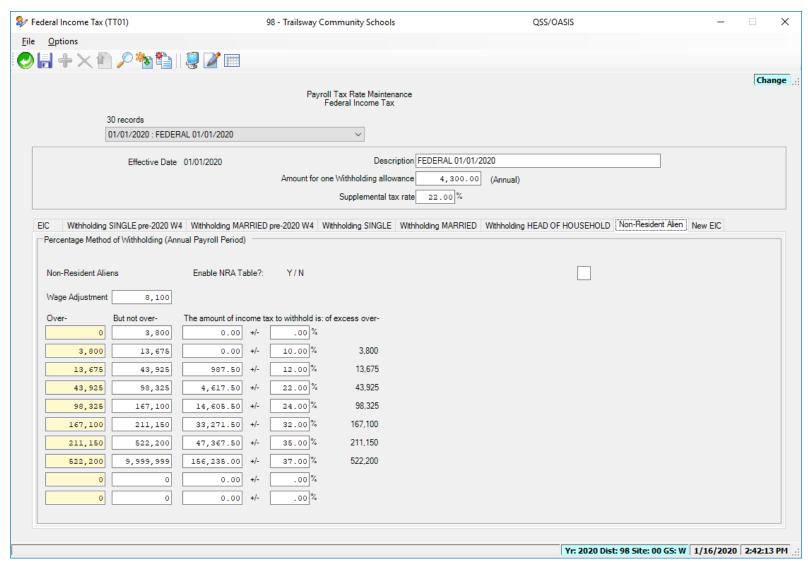








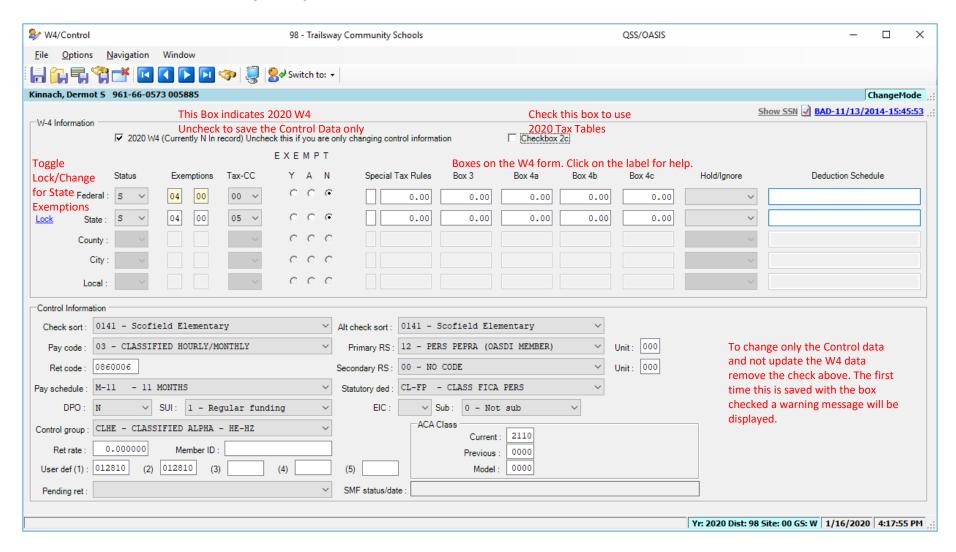








Employee Maintenance W4 for 2020



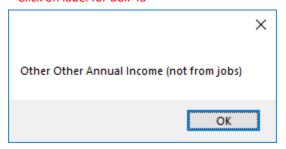


Employee Maintenance W4 for 2020

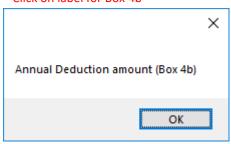
Click on label for Box 3



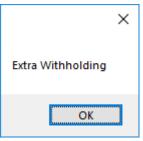
Click on label for Box 4a



Click on label for Box 4b



Click on label for Box 4c





Pay510 changes – W4 for 2020

- Update to the Pay510 Report
 - New Values in the Pay510
 - FA = (Box4a/number of pay periods a year)
 - FR = (Box4b/number of pay periods a year)
 - RF = (Box3/number of pay periods a year)
 - FT= Federal Tax Withheld RF
 - AF= Box4C
 - 2C = Y if 2C box is check / Blank is no value is indicated
 - W4= 2020 or 2019 to indicated Employee's W4 form
 - Note: If you have any presets or downloader definitions, these will be affected as a new line has been added.

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FA .00 FR .00 EF 41.63

15 .00 NT 215.40 TS .00 RS 544.46 TO 7019.14 FT #24.15 AF .00 EI .00 ST 419.70 AS .00 NG .00 NA .00

15 .00 MS 7542.40 MC 109.46 SD .00 SG 7019.14 MD .00 SB 2.00 RG 7778.00 RT 544.46 RR .00 FD 232.46 NF 5545.57
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Vol-Ded 8700

Additional tax deductions on the W4 Screen are taken on all regular payrolls (but not on supplemental payrolls).

To use frequency codes that control when additional tax is taken, use Voluntary Deductions 8600 (Additional State Tax) and 8700 (Additional Federal tax) in the Pay Deduction Window of the PR screen instead of additional tax deductions on the W4 Screen.

If an employee has additional Federal tax on the W4 Screen AND a vol-ded (8700) deduction, BOTH are taken. The same rule (and caution) applies to additional deductions for state taxes, except that Pay Deduction code 8600 is used for additional state taxes





W4 Future Changes

- Q2 Updates
 - W4 to be split from Control data
 - Tax Tables Additional Exemption amounts will be added

