

## Appendix E: 2020 and beyond W-4

This appendix provides information for the various components needed to calculate Federal Withholding with the 2020 or beyond W-4 options. Complete detailed instructions are found in Publication 15-T, Federal Income Tax Withholding Methods (for use in 2020).

The 2020 Form W-4 contains 5 steps. Steps 1 and 5 are required. Employees complete Steps 2 – 4 only if they are relevant to their personal situations:

**Step 1:** Employee name, address, SS number, and filing status.

**Step 2:** Check this box only if an Employee claiming Single has multiple jobs or claiming Married and the Spouse works. If this box is checked, the 2020 and beyond tax tables are used to calculate Federal Withholding. If this box is NOT checked, the 2019 and before tax tables become the calculation basis.

**Step 3:** Qualifying dependents are calculated based on an ANNUAL basis.

**Step 4a:** Increases the ANNUAL wage by this amount subject to Income Tax withholding.

**Step 4b:** Decreases the ANNUAL wage by this amount subject to Income Tax withholding.

**Step 4c:** A flat, whole dollar amount of extra Federal Withholding calculated PER PAY PERIOD.

### *Employee Master changes:*

Employee	Pay/Tax	Pay/Ded Codes	Sick/Vac Codes
Employee	000005	BLAKE, DENNIS	
Pay type	Salaried	State code	1 ... WASHINGTON-M
Pay period	Semi-monthly	SWT exempt	No
Job class	XX	SWT deducts	1
Marital	Married	SWT addtl	0.00
EIC status	None	SWT ded amt	0.00
		SWT marital	Married
FICA exempt	No	SUI exempt	No
FWT exempt	No	City code	0 ...
FWT deducts	0	City exempt	No
FWT addtl or Step 4c	0	City deducts	0
FUI exempt	No	City addtl	0
New W-4		Pension plan	Yes
Multiple jobs		WK comp code	1234
Dependents-Step 3	0.00	Tip eligible	No
Other Income-Step 4a	0.00		
Deductions-Step 4b	0.00		

The Pay/Tax Tab of the employee master reflects the only changes required. The fields are identified with the corresponding Steps as previously noted except for Step 2 which is to define **Multiple jobs** as **Yes**, the default, when applicable

### Sample Results:

>> For the New W-4 field defined as **Blank** / **No**, a result of \$3,000 Gross is as follows:

GROSS	FWT
3,000.00	284.04

>> For the New W-4 field defined as **Yes**, a result of \$3,000 Gross is as follows:

GROSS	FWT
3,000.00	219.54

***Federal Tax Table changes:***

In both of the following examples, the conversion run at the time of install will make the space for new values in the Federal Tax Table file. But the values require manual entry for the current year.

A new field, 2020 (or later) W4 allowance is utilized if Step 2 box is NOT checked. As of April 2020, the allowance is 8,600 for Single and 12,900 for Married.

Federal Tax	Tax Table	EIC Table
Marital	M	
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Withholding allowance		4,300.00
2020 (or later) W4 allowance		12,900.00
FICA rate (employee)		6.200
FICA rate (employer)		6.200
FICA ceiling		137,700.00
Medicare rate (employee)		1.450
Medicare rate (employer)		1.450
Medicare ceiling		999,999.00
FUTA rate		.600
FUTA ceiling		7,000.00
Supplemental tax rate		25.00
Minimum wage		12.00

The below sample of the new Down To Earth Federal Tax table is for Married as of April 2020.

[illegible]

The following IRS tax table includes all three filing status tables.

2020 Percentage Method Tables for Automated Payroll Systems									
STANDARD Withholding Rate Schedules (Use these if the Form W-4 is from 2019 or earlier, 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—	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—
At least—	But less than—				At least—	But less than—			
A	B	C	D	E	A	B	C	D	E
<b>Married Filing Jointly</b>					<b>Married Filing Jointly</b>				
\$0	\$11,900	\$0.00	0%	\$0	\$0	\$12,400	\$0.00	0%	\$0
\$11,900	\$31,650	\$0.00	10%	\$11,900	\$12,400	\$22,275	\$0.00	10%	\$12,400
\$31,650	\$92,150	\$1,975.00	12%	\$31,650	\$22,275	\$52,525	\$987.50	12%	\$22,275
\$92,150	\$182,950	\$9,235.00	22%	\$92,150	\$52,525	\$97,925	\$4,617.50	22%	\$52,525
\$182,950	\$338,500	\$29,211.00	24%	\$182,950	\$97,925	\$175,700	\$14,605.50	24%	\$97,925
\$338,500	\$426,600	\$66,543.00	32%	\$338,500	\$175,700	\$219,750	\$33,271.50	32%	\$175,700
\$426,600	\$633,950	\$94,735.00	35%	\$426,600	\$219,750	\$323,425	\$47,367.50	35%	\$219,750
\$633,950		\$167,307.50	37%	\$633,950	\$323,425		\$83,653.75	37%	\$323,425
<b>Single or Married Filing Separately</b>					<b>Single or Married Filing Separately</b>				
\$0	\$3,800	\$0.00	0%	\$0	\$0	\$6,200	\$0.00	0%	\$0
\$3,800	\$13,675	\$0.00	10%	\$3,800	\$6,200	\$11,138	\$0.00	10%	\$6,200
\$13,675	\$43,925	\$987.50	12%	\$13,675	\$11,138	\$26,263	\$493.75	12%	\$11,138
\$43,925	\$89,325	\$4,617.50	22%	\$43,925	\$26,263	\$48,963	\$2,308.75	22%	\$26,263
\$89,325	\$167,100	\$14,605.50	24%	\$89,325	\$48,963	\$87,850	\$7,302.75	24%	\$48,963
\$167,100	\$211,150	\$33,271.50	32%	\$167,100	\$87,850	\$109,875	\$16,635.75	32%	\$87,850
\$211,150	\$522,200	\$47,367.50	35%	\$211,150	\$109,875	\$265,400	\$23,683.75	35%	\$109,875
\$522,200		\$156,235.00	37%	\$522,200	\$265,400		\$78,117.50	37%	\$265,400
<b>Head of Household</b>					<b>Head of Household</b>				
\$0	\$10,050	\$0.00	0%	\$0	\$0	\$9,325	\$0.00	0%	\$0
\$10,050	\$24,150	\$0.00	10%	\$10,050	\$9,325	\$16,375	\$0.00	10%	\$9,325
\$24,150	\$63,750	\$1,410.00	12%	\$24,150	\$16,375	\$36,175	\$705.00	12%	\$16,375
\$63,750	\$95,550	\$6,162.00	22%	\$63,750	\$36,175	\$52,075	\$3,081.00	22%	\$36,175
\$95,550	\$173,350	\$13,158.00	24%	\$95,550	\$52,075	\$90,975	\$6,579.00	24%	\$52,075
\$173,350	\$217,400	\$31,830.00	32%	\$173,350	\$90,975	\$113,000	\$15,915.00	32%	\$90,975
\$217,400	\$528,450	\$45,926.00	35%	\$217,400	\$113,000	\$268,525	\$22,963.00	35%	\$113,000
\$528,450		\$154,793.50	37%	\$528,450	\$268,525		\$77,396.75	37%	\$268,525

It is important to maintain both **Pre 2020 W-4** and **2020 (or later) W-4** Tax Tables per the IRS schedules. Employees using the 2020 (or later) W-4 also utilize the Pre 2020 W-4 Table if Step 2 is NOT checked.