

IMPORTANT: CHANGES TO FORM W-4



This document provides information on upcoming Form W-4 changes. For guidance on how to fill out the form based on the changes outlined below, please contact a tax professional.

1. What changes are being made to the W-4?

1. Withholding allowances have been removed from the form. Employee tax withholding will be based on salary.
2. Added a "Head of Household" filing status, in addition to the original "Single" or "Married" choices.
3. IRS instructs those with multiple jobs to indicate this on the form so that they will get a more accurate withholding amount.
4. A new step-by-step process, where only personal information, filing status, and signature are required to process form.

2. Do workers need to submit an updated W-4?

Any worker claiming exempt or making an update to withholdings would need to complete a new form.

3. Why is the W-4 being changed?

To comply with the Tax Cuts and Jobs Act (TCJA). The goal is to reduce any overpayment or underpayment of taxes.

4. Is the new W-4 form available to fill out now?

Not at this time. The IRS released the draft version, but the final version is not expected to be released until late 2019.

5. What if I have questions about the new W-4 that is not listed above?

Please contact a tax professional for tax advice. You may also choose to visit the links or scan the QR code below for online resources provided by the IRS.

IRS W-4 FAQs:

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

IRS Tax Withholding Estimator:

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



Scan the QR Code to access the links below, as well as an electronic version of this Frequently Asked Questions document.

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6. Current draft of W-4 (page 1).

Only Steps 1 and 5 (highlighted below) are required to be filled out. Steps 2-4 are optional based on each individual's unique situation.

Form W-4		Employee's Withholding Certificate		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		<p>▶ 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.</p>		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.)			
<p>Complete Steps 2 through 4 ONLY if they apply to you. To see if you are exempt from withholding or if you have concerns about your privacy, see page 2. Everyone must complete Step 5. See instructions on page 2.</p>				
Step 2: Multiple Jobs or Spouse Works	<p>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.</p>			
	<p>(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 ▶ <input type="checkbox"/></p> <p>CAUTION: If you have privacy concerns, choose (a) or (b). If you and/or your spouse have income from self-employment, including as an independent contractor, choose (a).</p>			
<p>Complete Steps 3 through 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 through 4(b) on the Form W-4 for the highest paying job.)</p>				
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.			
	▶ <u>Employee's signature</u> (This form is not valid unless you sign it.)			▶ <u>Date</u>
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)