

Form W-4 for 2020

Everyone has probably seen the Form W-4 for 2020. Here is a little information IRS wants you to know about this Form:

- 1) The Form W-4 for 2020 MUST be used by anyone submitting a Form W-4 after December 31, 2019.
- 2) An employee who has filed a 2019 Form W-4 on or before December 31, 2019, does NOT have to refile a 2020 Form W-4 as long as the employee does not want to make any changes. However, if this employee wants to make a change on a filed Form W-4 after December 31, 2019, the new version of Form W-4 must be used.
- 3) The employee is required to complete Parts 1 and 5. Parts 2, 3, and 4 should be completed if they apply, but part 4 is specifically optional.
- 4) Part 2 of the new Form W-4 is used to complete Part 4.
- 5) Employers will withhold taxes using one set of tables for any employee who is still using the 2019 Form W-4, and another set of tables for any employee who is using the 2020 Form W-4. Both sets of tables can be found in IRS Publication 15-T (2020).

Other information about the new Form W-4.

- 1) IRS doesn't normally see the Forms W-4 unless IRS happens to audit an employer and asks to see the Forms W-4 (a rare occurrence). IRS may request a particular employee's Form W-4, but this normally only happens if the employee has a large unpaid balance due on the employee's Form 1040 and the withholding is very low compared to the earnings.
- 2) Marking the "Single or Married Filing Separately" box will result in withholding based on the taxpayer having a standard deduction of \$12,400 and no other income, deductions, or credits. Marking the "Married Filing Jointly" box will result in withholding based on the taxpayer having a standard deduction of \$24,800 and no other income, deductions, or credits. Marking the "Head of Household" box will result in withholding based on the taxpayer having a standard deduction of \$18,600 and no other income, deductions, or credits.

This withholding should be pretty accurate (a little due or a little refund) for the year assuming the taxpayer only has this one job and there is no other income, deductions, or credits on the 2020 tax return. If the taxpayer would not be happy with this result, the taxpayer would probably want to have additional amounts withheld from each paycheck (Part 4, line 4c).

- 3) IRS directions state "additional amounts withheld" should only be from the taxpayer's highest paying employment, but IRS hedges this by saying this is the job that would

normally be the easiest to have extra withholding from. In other words, the taxpayer can have extra withholding from any job they desire.

This text has been shared by David & Mary Mellem, EAs & Ashwaubenon Tax Professionals.

©2020 Ashwaubenon Tax Professionals. No reproduction of this article is permitted without the express written consent of Ashwaubenon Tax Professionals, 2140 Holmgren Way, Suite 1040, Green Bay, WI 54304, 920-496-1065.