MEMORANDUM

Date: December 26, 2019

To: All State Agency Human Resource Managers and Chief Financial Officers

From: Lakisha Holley, Central Payroll Bureau Chief

Subject: 2020 Form W-4

The 2020 Form W-4, Employee’s Withholding Certificate, will be a new and different version from previous years which is a result of the 2018 federal law changes. The Internal Revenue Service (IRS) is not requiring all employees to complete the revised form because the withholding tables are designed to work with both new and prior year forms. However, employees hired in 2020 and anyone who makes withholding changes during 2020 will be required to use the new form. Please note: if you do not submit a new form, withholding will continue based on your previously submitted form.

IRS recommends all employees perform the “paycheck checkup” to see if adjustments need to be made to current withholding. Employees can conduct the checkup, by using the IRS’s Tax Withholding Estimator (www.irs.gov/W4App). To effectively use the estimator, employees should have a copy of their most recent pay stub and tax return. It is likely that the estimator will be updated to account for the 2020 tax tables in early January.

Before completing the 2020 Form W-4, employees should read the instructions that are included with the form. Employees must complete Steps 1 and 5. They should complete steps 2 through 4 only if they apply. Step 1 is for employees personal information; Step 2 is for households with multiple jobs; Step 3 is used to claim tax credits for dependents; Step 4 is for other adjustments (additional income such as interest and dividends, itemized deductions that exceed the standard deduction, and extra tax you want withheld); and Step 5 is where employees sign the form.

If employees are worried about reporting income from multiple jobs in Step 2 or other income in Step 4(a), employees should check the box in Step 2(c) or enter an additional
withholding amount in Step 4(c). To determine the additional withholding amount, employees can use the withholding estimator.

The IRS has published Frequently Asked Questions that employees may find helpful to complete the form (https://www.irs.gov/newsroom/faqs-on-the-draft-2020-form-w-4).