




Deltek

Deltek Costpoint® 7.1.1

Manage Employee Taxes:
Changes for 2020 W-4

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Overview

New functionality was added in Costpoint to support the federal changes for the 2020 W-4 form. This document provides an overview of those changes on the Manage Employee Taxes screen and how the new fields correspond to the W-4 form.

Employees filling out the 2020 Form W-4 will no longer be able to claim withholding allowances. Instead, employees need to provide whole dollar amounts to employers in order to ensure more accurate withholding during the year.

Beginning in 2020, all new employees must use the redesigned form. Employees hired prior to 2020 who want to adjust withholding from their pay dated January 1, 2020 or later must also use the redesigned form.

New Fields for Manage Employee Taxes

Form W-4 Version

A new required field, **Form W-4 Version**, has been added to allow clients to select which version of the W-4 the employee will fill out. Currently, the options are either **2019** or **2020**. When **2019** is selected, the new fields added for the 2020 W-4 functionality will be disabled and the current functionality for calculating payroll will be used. If **2020** is selected, the new fields will be enabled and any entered data will be used in the payroll calculation.

Manage Employee Taxes

The screenshot shows the 'Tax Reporting Information' tab in the 'Manage Employee Taxes' interface. The 'Form W-4 Version' field is highlighted with a red box and set to '2020'. Other fields include 'Filing Status' (Single), 'Exemptions' (0), 'Override Amount' (empty), 'Override Percent' (empty), 'Dependents (Qualifying Children under 17)' (0), 'Other Dependents' (0), 'Other Tax Credit Amount' (0.00), 'Other Income' (0.00), 'Deductions' (0.00), and 'Additional Amount' (0.00). The 'Subject to' section includes checkboxes for Social Security, Medicare, FUTA, Disable ESS W-4, and Step 2 of W-4.

Filing Status

A new filing status option, **Head of Household**, is available when the **Form W-4 Version** is set to **2020**. An error will occur upon save if **Head of Household** is selected and the **Form W-4 Version** is **2019**.

Manage Employee Taxes

The screenshot shows the 'Tax Reporting Information' tab in the 'Manage Employee Taxes' interface. The 'Filing Status' dropdown menu is open, showing options: Single, -None-, Married, Single, Head of Household, and Exempt. The 'Head of Household' option is highlighted with a red arrow. The 'Form W-4 Version' field is also highlighted with a red arrow and set to '2020'. Other fields are the same as in the previous screenshot.

2020 Form W-4

Form W-4 Department of the Treasury Internal Revenue Service		Employee's Withholding Certificate ▶ 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.		OMB No. 1545-0074 2020
Step 1: Enter Personal Information	(a) First name and middle initial		Last name	(b) Social security number
	Address			
	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.)			
	▶ 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 .			

2020 W-4 New Fields

Six new fields have been added in the **Federal** group box in order to support the new 2020 W-4 functionality. They are enabled only when the **Form W-4 Version** is set to **2020**. The new fields are optional and should only be filled out for the W-4 for the employee's highest paying job.

Taxes		Tax Reporting Information	
Pay Cycle *		Tax Service Group ID	
Federal			
Filing Status	Single		
Exemptions	0		
Override Amount			
Override Percent			
Dependents (Qualifying Children under 17)	0		
Other Dependents	0		
Other Tax Credit Amount	0.00		
Other Income	0.00		
Deductions	0.00		
Additional Amount	0.00		
Subject to			
<input checked="" type="checkbox"/> Social Security <input checked="" type="checkbox"/> Medicare <input checked="" type="checkbox"/> FUTA <input type="checkbox"/> Disable ESS W-4 <input type="checkbox"/> Step 2 of W-4			
Form W-4 Version * 2020			

Attention: Refer to the [W-4 Fields](#) section for more information on these fields.

W-4 Fields

Step 2: Step 2 of W-4

When this field is checked, the system will use the Step 2 of W-4 table for the employee's selected filing status. Step 2 calculates the total extra tax on all jobs when the employee has multiple jobs. This check box corresponds to the 2020 W-4 Step 2(c) check box.

Manage Employee Taxes

Taxes		Tax Reporting Information	
Pay Cycle *	<input type="text"/>	Tax Service Group ID	<input type="text"/>
Federal			
Filing Status	Single		
Exemptions	<input type="text" value="0"/>		
Override Amount	<input type="text"/>		
Override Percent	<input type="text"/>		
Dependents (Qualifying Children under 17)	<input type="text" value="0"/>		
Other Dependents	<input type="text" value="0"/>		
Other Tax Credit Amount	<input type="text"/>	0.00	
Other Income	<input type="text"/>	0.00	
Deductions	<input type="text"/>	0.00	
Additional Amount	<input type="text"/>	0.00	
		Subject to	
		<input checked="" type="checkbox"/> Social Security	
		<input checked="" type="checkbox"/> Medicare	
		<input checked="" type="checkbox"/> FUTA	
		<input type="checkbox"/> Disable ESS W-4	
		<input type="checkbox"/> Step 2 of W-4	
		Form W-4 Version *	2020

2020 Form W-4

Step 2:	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.
Multiple Jobs or Spouse Works	Do only one of the following.
	(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); 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"/>
	TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.
Complete Steps 3–4(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 3–4(b) on the Form W-4 for the highest paying job.)	

Step 2. Use this step if you (1) have more than one job at the same time, or (2) are married filing jointly and you and your spouse both work.

Option **(a)** most accurately calculates the additional tax you need to have withheld, while option **(b)** does so with a little less accuracy.

If you (and your spouse) have a total of only two jobs, you may instead check the box in option **(c)**. The box must also be checked on the Form W-4 for the other job. If the box is checked, the standard deduction and tax brackets will be cut in half for each job to calculate withholding. This option is roughly accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld, and this extra amount will be larger the greater the difference in pay is between the two jobs.

Step 3: Dependents (Qualifying Children under 17)

This field may be used to enter the number of any dependents who are 17 or younger. Costpoint will use the entered number to calculate the amount in Step 3 for the dependents under 17.

Manage Employee Taxes

Taxes		Tax Reporting Information	
Pay Cycle *		Tax Service Group ID	
Federal			
Filing Status	Single	Subject to	
Exemptions	0	<input checked="" type="checkbox"/> Social Security	
Override Amount		<input checked="" type="checkbox"/> Medicare	
Override Percent		<input checked="" type="checkbox"/> FUTA	
Dependents (Qualifying Children under 17)	0	<input type="checkbox"/> Disable ESS W-4	
Other Dependents	0	<input type="checkbox"/> Step 2 of W-4	
Other Tax Credit Amount	0.00	Form W-4 Version * 2020	
Other Income	0.00		
Deductions	0.00		
Additional Amount	0.00		

2020 Form W-4

Complete Steps 3–4(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 3–4(b) on the Form W-4 for the highest paying job.)

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 \$

W-4 Fields



Multiple jobs. Complete Steps 3 through 4(b) on only one Form W-4. Withholding will be most accurate if you do this on the Form W-4 for the highest paying job.

Step 3. Step 3 of Form W-4 provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 972, Child Tax Credit and Credit for Other Dependents. You can also include **other tax credits** in this step, such as education tax credits and the foreign tax credit. To do so, add an estimate of the amount for the year to your credits for dependents and enter the total amount in Step 3. Including these credits will increase your paycheck and reduce the amount of any refund you may receive when you file your tax return.

Step 3: Other Dependents

This field may be used to enter the total number of dependents who are older than 17 or are qualifying relatives. Costpoint will use the entered number to calculate the amount in Step 3 for other dependents.

Taxes		Tax Reporting Information	
Pay Cycle *		Tax Service Group ID	
Federal			
Filing Status	Single	Subject to	
Exemptions	0	<input checked="" type="checkbox"/> Social Security	
Override Amount		<input checked="" type="checkbox"/> Medicare	
Override Percent		<input checked="" type="checkbox"/> FUTA	
Dependents (Qualifying Children under 17)	0	<input type="checkbox"/> Disable ESS W-4	
Other Dependents	0	<input type="checkbox"/> Step 2 of W-4	
Other Tax Credit Amount	0.00	Form W-4 Version * 2020	
Other Income	0.00		
Deductions	0.00		
Additional Amount	0.00		

2020 Form W-4:

Complete Steps 3–4(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 3–4(b) on the Form W-4 for the highest paying job.)

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 \$



Multiple jobs. Complete Steps 3 through 4(b) on only one Form W-4. Withholding will be most accurate if you do this on the Form W-4 for the highest paying job.

Step 3. Step 3 of Form W-4 provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 972, Child Tax Credit and Credit for Other Dependents. You can also include **other tax credits** in this step, such as education tax credits and the foreign tax credit. To do so, add an estimate of the amount for the year to your credits for dependents and enter the total amount in Step 3. Including these credits will increase your paycheck and reduce the amount of any refund you may receive when you file your tax return.

Step 3: Other Tax Credit Amount

Any other tax credit amounts such as education tax credits or other foreign tax credits can be entered in the **Other Tax Credit Amount** field. The 2020 W-4 includes both the other dependent amount and the other tax credits in one field in Step 3 while Costpoint breaks them into two separate fields for calculation purposes.

Manage Employee Taxes

Taxes		Tax Reporting Information	
Pay Cycle *	<input type="text"/>	Tax Service Group ID	<input type="text"/>
Federal			
Filing Status	Single		
Exemptions	<input type="text" value="0"/>		
Override Amount	<input type="text"/>		
Override Percent	<input type="text"/>		
Dependents (Qualifying Children under 17)	<input type="text" value="0"/>		
Other Dependents	<input type="text" value="0"/>		
Other Tax Credit Amount	<input type="text" value="0.00"/>		
Other Income	<input type="text" value="0.00"/>		
Deductions	<input type="text" value="0.00"/>		
Additional Amount	<input type="text" value="0.00"/>		
Subject to			
<input checked="" type="checkbox"/> Social Security			
<input checked="" type="checkbox"/> Medicare			
<input checked="" type="checkbox"/> FUTA			
<input type="checkbox"/> Disable ESS W-4			
<input type="checkbox"/> Step 2 of W-4			
Form W-4 Version *	2020		

2020 Form W-4

Complete Steps 3–4(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 3–4(b) on the Form W-4 for the highest paying job.)

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 \$



Multiple jobs. Complete Steps 3 through 4(b) on only one Form W-4. Withholding will be most accurate if you do this on the Form W-4 for the highest paying job.

Step 3. Step 3 of Form W-4 provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 972. Child Tax Credit and Credit for Other Dependents. You can also include **other tax credits** in this step, such as education tax credits and the foreign tax credit. To do so, add an estimate of the amount for the year to your credits for dependents and enter the total amount in Step 3. Including these credits will increase your paycheck and reduce the amount of any refund you may receive when you file your tax return.

Step 4(a): Other Income

Any other income from the 2020 W-4 Step 4(a) can be added in the **Other Income** field.

Manage Employee Taxes

Taxes		Tax Reporting Information	
Pay Cycle *		Tax Service Group ID	
Federal			
Filing Status	Single	Subject to	
Exemptions	0	<input checked="" type="checkbox"/> Social Security	
Override Amount		<input checked="" type="checkbox"/> Medicare	
Override Percent		<input checked="" type="checkbox"/> FUTA	
Dependents (Qualifying Children under 17)	0	<input type="checkbox"/> Disable ESS W-4	
Other Dependents	0	<input type="checkbox"/> Step 2 of W-4	
Other Tax Credit Amount	0.00	Form W-4 Version * 2020	
Other Income	0.00		
Deductions	0.00		
Additional Amount	0.00		

2020 Form W-4

Step 4 (optional): Other Adjustments	(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 include interest, dividends, and retirement income	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 4 (optional).

Step 4(a). Enter in this step the total of your other estimated income for the year, if any. You shouldn't include income from any jobs or self-employment. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than having tax on other income withheld from your paycheck, see Form 1040-ES, Estimated Tax for Individuals.

Step 4(b). Enter in this step the amount from the Deductions Worksheet, line 5, if you expect to claim deductions other than the basic standard deduction on your 2020 tax return and want to reduce your withholding to account for these deductions. This includes both itemized deductions and other deductions such as for student loan interest and IRAs.

Step 4(c). Enter in this step any additional tax you want withheld from your pay **each pay period**, including any amounts from the Multiple Jobs Worksheet, line 4. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.

Step 4(b): Deductions

The amount from the 2020 W-4 Step 4(b) can be in the optional **Deductions** field. This can also be the amount from Line 5 in the Deductions Worksheet.

Manage Employee Taxes

Taxes		Tax Reporting Information	
Pay Cycle *		Tax Service Group ID	
Federal			
Filing Status	Single	Subject to	
Exemptions	0	<input checked="" type="checkbox"/> Social Security	
Override Amount		<input checked="" type="checkbox"/> Medicare	
Override Percent		<input checked="" type="checkbox"/> FUTA	
Dependents (Qualifying Children under 17)	0	<input type="checkbox"/> Disable ESS W-4	
Other Dependents	0	<input type="checkbox"/> Step 2 of W-4	
Other Tax Credit Amount	0.00	Form W-4 Version * 2020	
Other Income	0.00		
Deductions	0.00		
Additional Amount	0.00		

2020 Form W-4

Step 4 (optional): Other Adjustments	(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 include interest, dividends, and retirement income	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 4 (optional).

Step 4(a). Enter in this step the total of your other estimated income for the year, if any. You shouldn't include income from any jobs or self-employment. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than having tax on other income withheld from your paycheck, see Form 1040-ES, Estimated Tax for Individuals.

Step 4(b). Enter in this step the amount from the Deductions Worksheet, line 5, if you expect to claim deductions other than the basic standard deduction on your 2020 tax return and want to reduce your withholding to account for these deductions. This includes both itemized deductions and other deductions such as for student loan interest and IRAs.

Step 4(c). Enter in this step any additional tax you want withheld from your pay **each pay period**, including any amounts from the Multiple Jobs Worksheet, line 4. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.

Step 4 (c): Additional Amount

This existing field can be used to enter any extra withholding for the pay period from Step 4(c). This field is not new for the 2020 W-4.

Manage Employee Taxes

Taxes		Tax Reporting Information	
Pay Cycle *		Tax Service Group ID	
Federal			
Filing Status	Single	Subject to	
Exemptions	0	<input checked="" type="checkbox"/> Social Security	
Override Amount		<input checked="" type="checkbox"/> Medicare	
Override Percent		<input checked="" type="checkbox"/> FUTA	
Dependents (Qualifying Children under 17)	0	<input type="checkbox"/> Disable ESS W-4	
Other Dependents	0	<input type="checkbox"/> Step 2 of W-4	
Other Tax Credit Amount	0.00	Form W-4 Version * 2020	
Other Income	0.00		
Deductions	0.00		
Additional Amount	0.00		

2020 Form W-4

Step 4 (optional): Other Adjustments	(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 include interest, dividends, and retirement income	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 4 (optional).

Step 4(a). Enter in this step the total of your other estimated income for the year, if any. You shouldn't include income from any jobs or self-employment. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than having tax on other income withheld from your paycheck, see Form 1040-ES, Estimated Tax for Individuals.

Step 4(b). Enter in this step the amount from the Deductions Worksheet, line 5, if you expect to claim deductions other than the basic standard deduction on your 2020 tax return and want to reduce your withholding to account for these deductions. This includes both itemized deductions and other deductions such as for student loan interest and IRAs.

Step 4(c). Enter in this step any additional tax you want withheld from your pay **each pay period**, including any amounts from the Multiple Jobs Worksheet, line 4. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.

Appendix A: 2020 Form W-4

You can view the final 2020 Form W-4 on the IRS website at <https://www.irs.gov/pub/irs-pdf/fw4.pdf>.

Form W-4 Department of the Treasury Internal Revenue Service		Employee's Withholding Certificate ▶ 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.		OMB No. 1545-0074 2020
Step 1: Enter Personal Information	(a) First name and middle initial		(b) Social security number	
	Last name			
	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.)				
Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.				
Step 2: Multiple Jobs or Spouse Works 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. (a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); 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"/> TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.				
Complete Steps 3–4(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 3–4(b) on the Form W-4 for the highest paying job.)				
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 ▶ \$ <input type="text"/> Multiply the number of other dependents by \$500 ▶ \$ <input type="text"/> Add the amounts above and enter the total here 3 \$ <input type="text"/>				
Step 4 (optional): Other Adjustments (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 include interest, dividends, and retirement income 4(a) \$ <input type="text"/> (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) \$ <input type="text"/> (c) Extra withholding. Enter any additional tax you want withheld each pay period 4(c) \$ <input type="text"/>				
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. ▶ Employee's signature (This form is not valid unless you sign it.) ▶ Date				
Employers Only Employer's name and address First date of employment Employer identification number (EIN)				

General Instructions

Future Developments

For the latest information about developments related to Form W-4, such as legislation enacted after it was published, go to www.irs.gov/FormW4.

Purpose of Form

Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. If too little is withheld, you will generally owe tax when you file your tax return and may owe a penalty. If too much is withheld, you will generally be due a refund. Complete a new Form W-4 when changes to your personal or financial situation would change the entries on the form. For more information on withholding and when you must furnish a new Form W-4, see Pub. 505.

Exemption from withholding. You may claim exemption from withholding for 2020 if you meet both of the following conditions: you had no federal income tax liability in 2019 and you expect to have no federal income tax liability in 2020. You had no federal income tax liability in 2019 if (1) your total tax on line 16 on your 2019 Form 1040 or 1040-SR is zero (or less than the sum of lines 18a, 18b, and 18c), or (2) you were not required to file a return because your income was below the filing threshold for your correct filing status. If you claim exemption, you will have no income tax withheld from your paycheck and may owe taxes and penalties when you file your 2020 tax return. To claim exemption from withholding, certify that you meet both of the conditions above by writing "Exempt" on Form W-4 in the space below Step 4(c). Then, complete Steps 1(a), 1(b), and 5. Do not complete any other steps. You will need to submit a new Form W-4 by February 16, 2021.

Your privacy. If you prefer to limit information provided in Steps 2 through 4, use the online estimator, which will also increase accuracy.

As an alternative to the estimator: if you have concerns with Step 2(c), you may choose Step 2(b); if you have concerns with Step 4(a), you may enter an additional amount you want withheld per pay period in Step 4(c). If this is the only job in your household, you may instead check the box in Step 2(c), which will increase your withholding and significantly reduce your paycheck (often by thousands of dollars over the year).

When to use the estimator. Consider using the estimator at www.irs.gov/W4App if you:

1. Expect to work only part of the year;
2. Have dividend or capital gain income, or are subject to additional taxes, such as the additional Medicare tax;
3. Have self-employment income (see below); or
4. Prefer the most accurate withholding for multiple job situations.

Self-employment. Generally, you will owe both income and self-employment taxes on any self-employment income you receive separate from the wages you receive as an employee. If you want to pay these taxes through withholding from your wages, use the estimator at www.irs.gov/W4App to figure the amount to have withheld.

Nonresident alien. If you're a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Specific Instructions

Step 1(c). Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

Step 2. Use this step if you (1) have more than one job at the same time, or (2) are married filing jointly and you and your spouse both work.

Option (a) most accurately calculates the additional tax you need to have withheld, while option (b) does so with a little less accuracy.

If you (and your spouse) have a total of only two jobs, you may instead check the box in option (c). The box must also be checked on the Form W-4 for the other job. If the box is checked, the standard deduction and tax brackets will be cut in half for each job to calculate withholding. This option is roughly accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld, and this extra amount will be larger the greater the difference in pay is between the two jobs.



Multiple jobs. Complete Steps 3 through 4(b) on only one Form W-4. Withholding will be most accurate if you do this on the Form W-4 for the highest paying job.

Step 3. Step 3 of Form W-4 provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 972, Child Tax Credit and Credit for Other Dependents. You can also include **other tax credits** in this step, such as education tax credits and the foreign tax credit. To do so, add an estimate of the amount for the year to your credits for dependents and enter the total amount in Step 3. Including these credits will increase your paycheck and reduce the amount of any refund you may receive when you file your tax return.

Step 4 (optional).

Step 4(a). Enter in this step the total of your other estimated income for the year, if any. You shouldn't include income from any jobs or self-employment. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than having tax on other income withheld from your paycheck, see Form 1040-ES, Estimated Tax for Individuals.

Step 4(b). Enter in this step the amount from the Deductions Worksheet, line 5, if you expect to claim deductions other than the basic standard deduction on your 2020 tax return and want to reduce your withholding to account for these deductions. This includes both itemized deductions and other deductions such as for student loan interest and IRAs.

Step 4(c). Enter in this step any additional tax you want withheld from your pay **each pay period**, including any amounts from the Multiple Jobs Worksheet, line 4. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.

Form W-4 (2020)		Page 3
Step 2(b)—Multiple Jobs Worksheet <i>(Keep for your records.)</i>		
<p>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.</p> <p>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.</p>		
<p>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</p>	<p>1 \$ <input style="width: 150px;" type="text"/></p>	
<p>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.</p>		
<p>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</p>	<p>2a \$ <input style="width: 150px;" type="text"/></p>	
<p>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</p>	<p>2b \$ <input style="width: 150px;" type="text"/></p>	
<p>c Add the amounts from lines 2a and 2b and enter the result on line 2c</p>	<p>2c \$ <input style="width: 150px;" type="text"/></p>	
<p>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.</p>	<p>3 <input style="width: 150px;" type="text"/></p>	
<p>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)</p>	<p>4 \$ <input style="width: 150px;" type="text"/></p>	
Step 4(b)—Deductions Worksheet <i>(Keep for your records.)</i>		
<p>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</p>	<p>1 \$ <input style="width: 150px;" type="text"/></p>	
<p>2 Enter: { <ul style="list-style-type: none"> • \$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 }</p>	<p>2 \$ <input style="width: 150px;" type="text"/></p>	
<p>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-"</p>	<p>3 \$ <input style="width: 150px;" type="text"/></p>	
<p>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</p>	<p>4 \$ <input style="width: 150px;" type="text"/></p>	
<p>5 Add lines 3 and 4. Enter the result here and in Step 4(b) of Form W-4</p>	<p>5 \$ <input style="width: 150px;" type="text"/></p>	



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