

W4 Guide for Employees

The Form W-4, Employee's Withholding Certificate, has been updated for 2020 and is significantly different from previous versions. This is due to the federal tax law changes that took place in 2018.

Before completing the 2020 Form W-4, please read the instructions that are included with the form.

Anyone completing the new 2020 W4 is required to complete Steps 1 AND 5.

Complete Steps 2 through 4 ONLY if they apply to you.

Step 1 is for your personal information **(Required)**

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)

Step 5 is where you sign the form **(Required)**

If you are an International (F1) Student:

Nonresident aliens, such as F1 students for tax purposes are **required** to complete Step 1a & b and **MUST** select "**Single**" for 1(c) regardless of whether or not you are married AND write "**NRA**" under line 4(c) and sign and date in Step 5. See page 8 of the guide for an example.

If you plan to claim EXEMPT on your W4:

Individuals who would like to claim **EXEMPT** and meet the conditions to do so, should pay close attention to page 9 of the guide.

The IRS is not requiring all employees to complete the revised form and has designed the withholding tables to work with both the new and prior year forms. However, anyone hired as of January 1, 2020, those who claimed **exempt** in 2019, and anyone who makes withholding changes during 2020 are required to complete the new 2020 form.

The IRS takes your privacy seriously and suggests that, if you are worried about reporting income from multiple jobs in Step 2 or other income in Step 4(a), you check the box in Step 2(c) or enter an additional withholding amount in Step 4(c). To determine the additional withholding amount, you can use the withholding estimator.

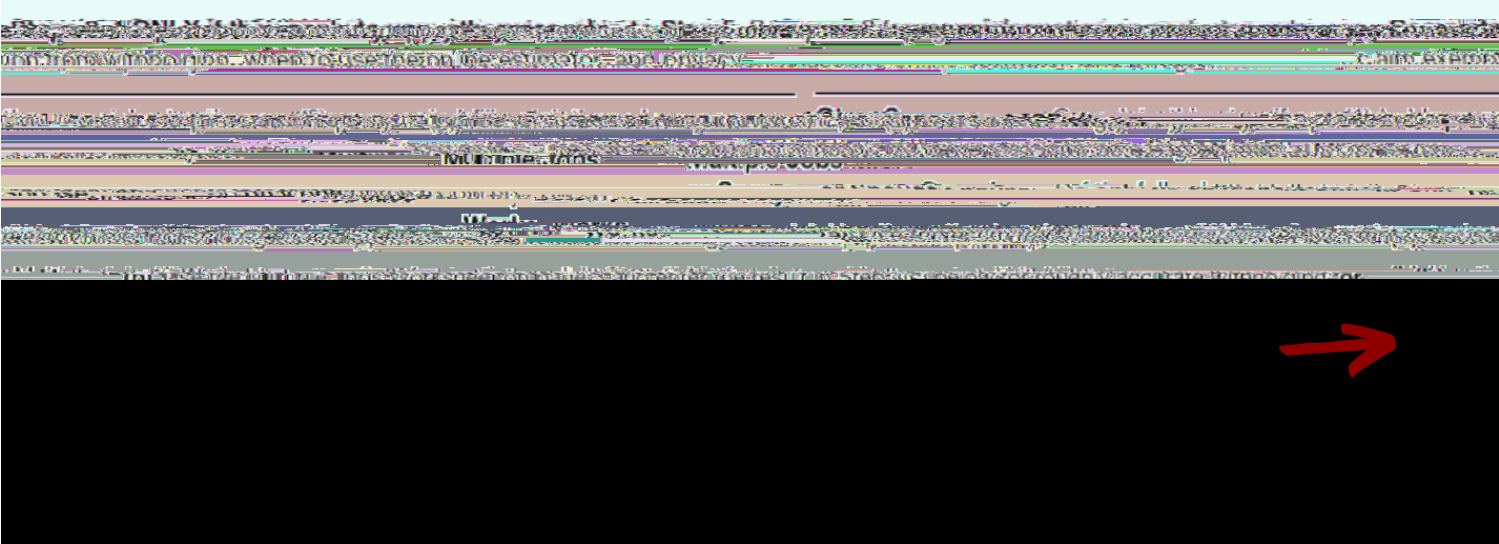
The IRS recommends taxpayers with the following profiles to check their withholding:

- Two income families
- Individuals with two or more jobs at the same time or who only work for part of the year
- Individuals with children who claim credits like the child tax credit
- Individuals who itemized deductions in the previous tax year
- Individuals with high incomes and more complex tax returns

The IRS has also published FAQ that you may find helpful as you complete the form (<https://www.irs.gov/newsroom/faqs-on-the-draft-2020-form-w-4>).

Step 1 is mostly unchanged. You will need to fill out your basic information, such as your name, social security number, address, with city/town, state and zip

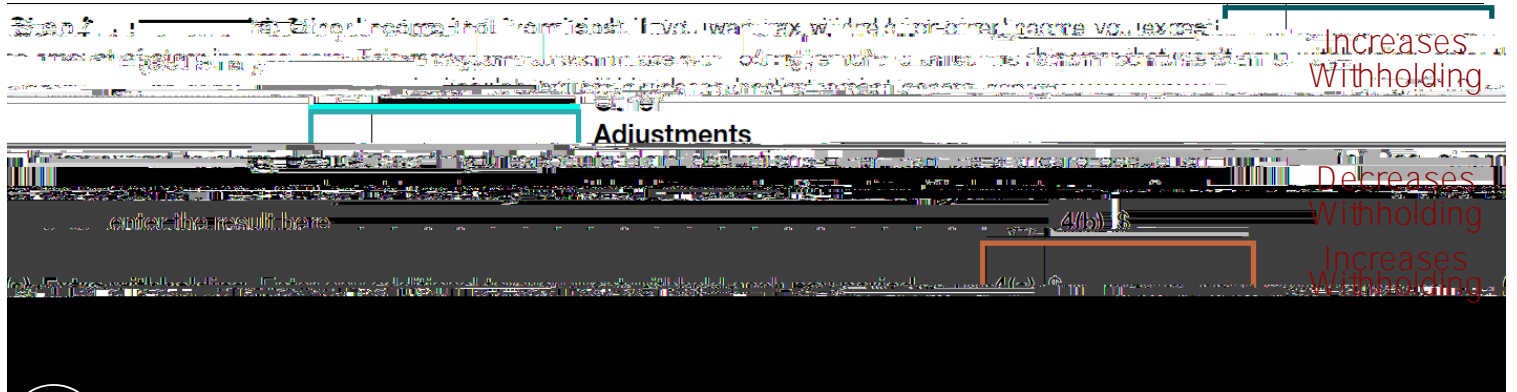
Section 2 addresses the "Two Earners/Multiple Jobs Worksheet" from the 2019 W-4 form. Most



Step 4: Other Adjustments

This section is for various things you may want to account for.

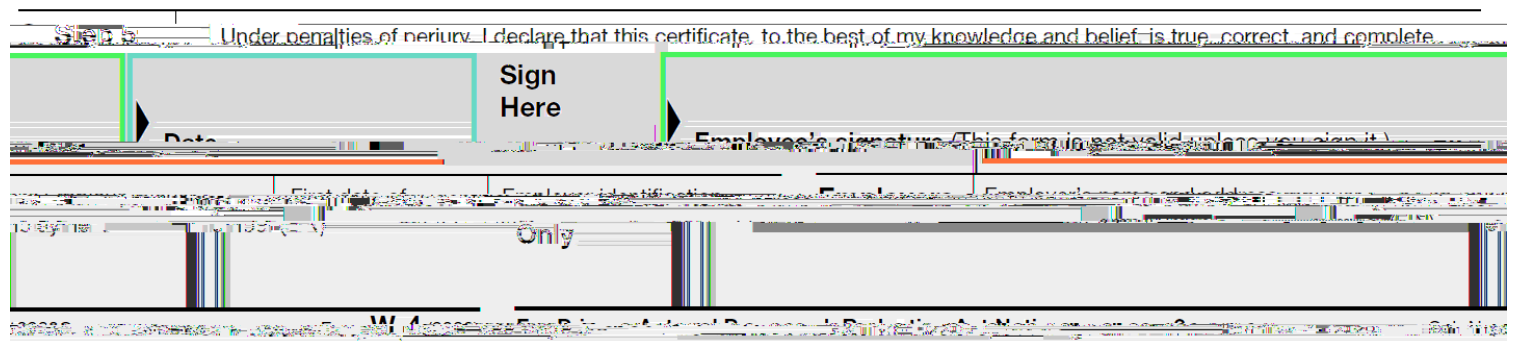
Here is what it looks like:



- (a) **Other income (not from jobs).** Enter the total of your other estimated income for the year, if any. This may include interest, dividend and retirement income. You should **not** include income from wages.
- (b) **Deductions.** Enter the amount from the W-4 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 student loan interest.
- (c) **Extra Withholding.** Enter any additional tax you would like withheld from your pay **each pay period**, including any amounts from the W-4 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 5: Sign the Form

Step 5 of the W-4 is **Required** to be valid.
Sign and date the form for it to be valid.



New Worksheets on Form W4

Multiple Jobs Worksheet

If you choose option (b) in Step 2, you will need to complete the Multiple Jobs worksheet. According to the IRS, this worksheet is less accurate than the tax estimator, but it provides the maximum amount of privacy.



Line 1

Line 1 is for anyone who has two jobs or is filing jointly with a spouse who also works.

Using the tables on page 4 of the W4, find the wages or salary for the "Higher Paying Job" in the column on the left (see below) and cross reference it with the amount of wages or salary from the "Lower Paying Job" in the columns moving left to right

At the intersection of these two amounts is the figure you will enter on line 1.

NOTE: the sample above is the table for taxpayers who are **married filing jointly** or **qualifying widow(er)**. There is a separate table for single and married filing separately taxpayers and yet another separate table for taxpayers filing as head of household. Be sure that you are using the right table.

Line 2

Line 2 is for someone who has three total jobs on their own or with a spouse.

Line 2a is for the two **highest-paying** jobs. Again, find the wages or salary for the highest-paying job in the column on the left and the wages or salary for the second-highest across the top. The figure at the intersection of those two figures will go on line 2a.

For **line 2b**, the wages and salaries for the two highest-paying jobs need to be added together and found in the column on the left. The wages and salaries for the third job will be found in the row across the top of the table. The value at the intersection of those two figures will go on line 2b. The sum of lines **2a** and **2b** will go on line **2c**.

Line 3

Line 3 and **4** apply to anyone who chooses to fill out the Multiple Jobs Worksheet

Line 3 is the number of pay periods per year for the highest-paying job. For example, if that job pays bi-weekly (like La Sierra University), then 26 will go on line 3. If the job pays bi-monthly, then 24 would be entered.

Line 4

Line 4ineMjt4

Deductions Worksheet

The deductions worksheet is for anyone who plans to itemize deductions.

For 2020, if you believe your itemized deductions will exceed \$12,200 (if you are single or married filing separate), \$24,400 (if you are married filing jointly), or \$18,350 (if you are the head of household), you should consider filling out the deductions worksheet.

Anyone filling out this worksheet, should have their prior-year tax return handy to help get a good idea of what those deductions might be.

The image shows a portion of a tax form titled "Step 4(b) Deductions Worksheet". The visible text includes:

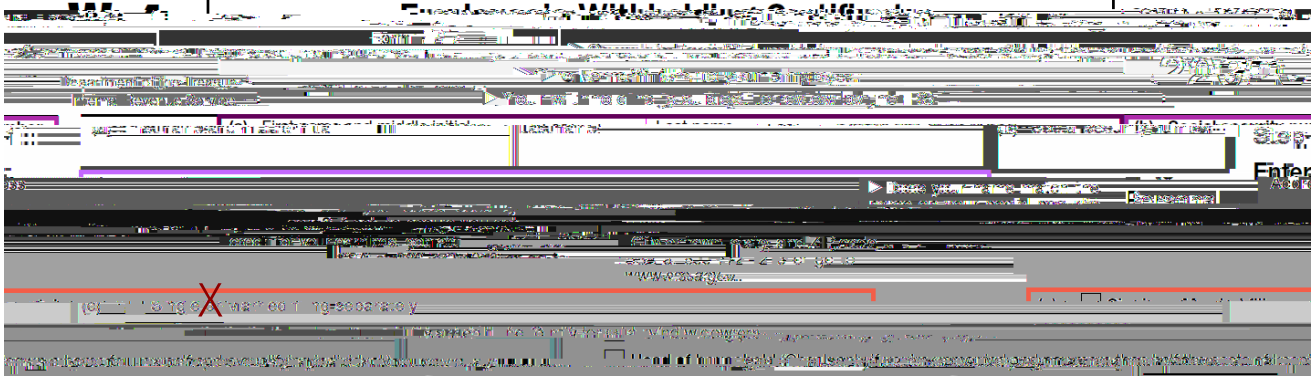
- Line 1: "Enter an estimate of your 2020 itemized deductions (from Schedule A (Form 1040 or 1040-SR)). Such deductions may include qualifying home mortgage interest, charitable contributions, state and local..."
- Line 2: "Enter an estimate of your 2020 itemized deductions (from Schedule A (Form 1040 or 1040-SR)). Such deductions may include..."
- Line 3: "If line 2 is greater than line 1, enter '-0-'. If line 1 is greater than line 2, subtract line 2 from line 1." (Note: The text in the image is partially obscured and appears to be a mix of lines 1 and 2).
- Line 4: "Enter an estimate of your student loan interest, deductible IRA contributions, and certain other..."

A large black redaction box covers the bottom half of the form, obscuring the input fields and the bottom portion of the instructions.

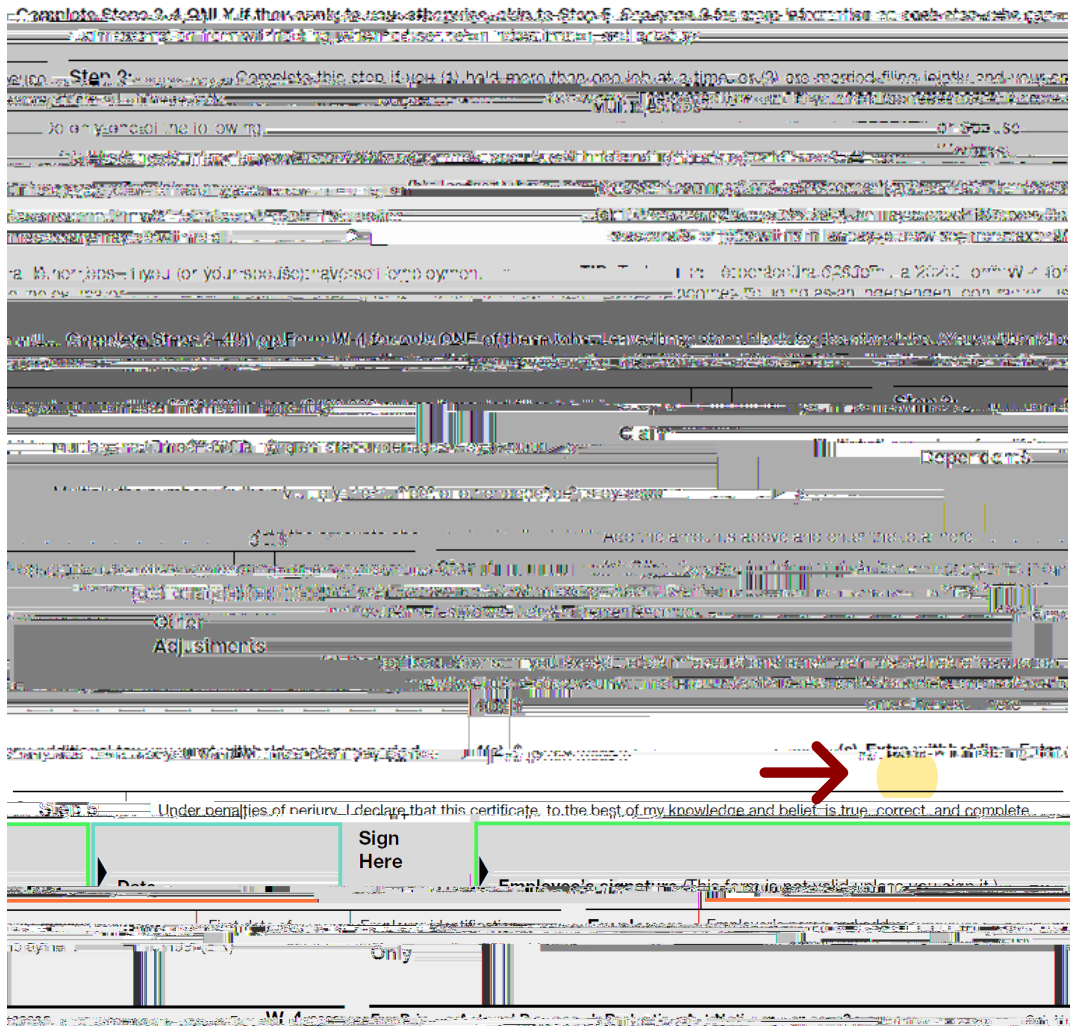
2020 W-4: NRA

Nonresident aliens, such as F1 Students for tax purposes are required to complete Step 1a & b and MUST select "Single: for 1(c). You must also write "NRA" under line 4(c) and sign and date at Step 5.

NRA Sample



- (a) Enter your full name
 - (b) Enter your Social Security #
 - (c) Enter your Address
- (c) You are **REQUIRED** to claim "single" on 1(c)

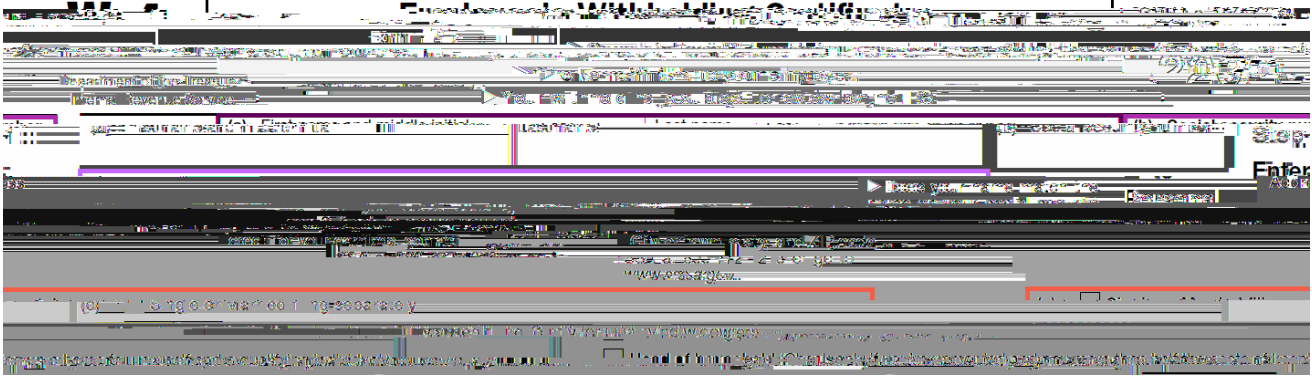


2020 W-4: Claiming EXEMPT on your W-4

To claim exemption from federal withholding tax in calendar year 2020, you must

1. Be able to meet the requirements for exemption as explained in the W-4 instructions page 2
2. Complete Step 1 items a & b (note: since you are claiming exempt, 1(c) is irrelevant).
3. Write "exempt" under line 4(c) **and**
4. Sign and date in Step 5.

EXEMPT Sample



- (a) Enter your full name
- (b) Enter your Social Security #
- (c) Enter your Address
- (c) You are NOT required to complete 1(c)

