



## Federal Law Update: Redesigned Form W-4

In the new year, employers will need to provide the redesigned Form W-4 to new employees and current employees who want to change their withholdings. Employees who have submitted Form W-4 in any year before 2020 are **not** required to submit a new form merely because of the redesign. Employers should continue to compute withholding based on the information from the employee's most recently submitted Form W-4.

Two of the biggest changes to the form are the elimination of allowances, which have been replaced by dollar values to calculate withholding, and the addition of boxes to indicate if workers hold multiple jobs or are in two-earner households. The new form is divided into five steps. Employees will provide information for the steps that apply to them (steps 2 to 4 may not).

- **Step 1:** Enter personal information (including marital status).
- **Step 2:** Account for multiple jobs. This step is completed if the employee holds more than one job at a time or is married filing jointly and their spouse also works. The correct amount of withholding depends on income earned from all jobs.
- **Steps 3 and 4:** Claim dependents and other adjustments (specifically, other income that is not from jobs, deductions, and extra withholding). Steps 3 and 4 are completed on Form W-4 for only one job, and these steps are left blank for the other jobs. Withholding is most accurate if an employee completes Steps 3 through 4(b) on the Form W-4 for the highest paying job.
- **Step 5:** Employee signature and date.

### Learn More

**Publication 15-T** (still in draft form) assists employers in determining the amount of federal income tax to withhold from their employees' wages.

Visit [www.irs.gov](http://www.irs.gov) to read about the [Form W-4](#), browse the [FAQs](#), see the [2020 version](#), and read about [Publication 15-T](#).

Employers do not provide tax advice to employees, but instead direct them to the IRS' [Tax Withholding Estimator](#) or their tax professional for guidance on completing the Form W-4.

Reminder: If your state has its own version of a W-4, continue to offer the most current version to employees for voluntary completion to ensure accurate state tax withholding. This is a great time to check in with employees on their tax withholdings.

Employers should consult with their payroll processing vendors and partners for guidance on tax and payroll questions including proper withholding in their payroll systems with this new W4.

Employers should not provide tax advice to employees, but rather direct them to the IRS' [Tax Withholding Estimator](#) or their tax professional for guidance on completing the Form W-4.