



## An employee's guide to the 2020 W-4

For 2020, all employees need to complete steps 1 and 5 in the new W-4. Steps 2, 3, and 4 are only completed if certain criteria apply. We'll cover each of these steps in detail here.

**Step 1: Enter Personal Information** This is mostly unchanged. You will need to fill out your basic information: 1) Name; 2) Social Security number; 3) Address; 4) City/town, state, and ZIP; 5) Filing status. Nothing too complicated.

Below the personal information fields in Step 1, there are Steps 2 through 4. Most likely, these steps won't apply to you if you're single with only one job or you're married and your spouse doesn't work.

### Step 2: Multiple Jobs or Spouse Works

This section addresses the "Two Earners/Multiple Jobs Worksheet" from the [2019 W-4 form](#). Most commonly, this step is for anyone who has more than one job or is married filing jointly and whose spouse works.

Checking box 2(c) tells your employer that you have multiple jobs. If you don't want to disclose that fact, don't check the box.

The image shows the top portion of the 2020 Form W-4. It includes the title "Employee's Withholding Certificate", the year "2020", and the OMB No. 1545-0074. The form is divided into sections: (a) First name and middle initial, Last name, Address, and City or town, state, and ZIP code; (b) Social security number; and (c) Filing status options: Single or Married filing separately, Married filing jointly (or Qualifying widow(er)), and Head of household. A note on the right side asks if the name matches the social security card and provides contact information for SSA.

- (a) Enter your full name
- Write in your mailing address
- (b) Enter your Social Security number
- (c) Check your filing status

**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](http://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 . . . . .

**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.)

In this step, the form notes that individuals with multiple jobs should complete Form W-4 with the information from their *highest-paying job*. That should result in the most accurate withholding.

## Get Started

If you work more than one job, steps 3 through 4b should only be completed on one W-4 form.

**Step 3: Claim Dependents** This section determines your eligibility for the child tax credit. It's a relatively simple step to complete:

<b>Step 3:</b> <b>Claim Dependents</b>	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	\$	
	Multiply the number of other dependents by \$500	\$	
	Add the amounts above and enter the total here		<b>3</b> \$



Number of kids under the age of 17 x \$2,000



Number of other dependents x \$500



The sum

The TCJA changed the law so more people would qualify for the child tax credit. Single taxpayers with an income of \$200,000 or less (\$400,000 if married filing jointly) will be eligible.

Your number of qualifying children under age 17 multiplied by \$2,000 will go into the first box. The number of other dependents multiplied by \$500 will go in the second box. The sum of those two numbers will go on line 3.

**3. Step 4: Other Adjustments** This section is for various things you may want to account for.

<b>Step 4 (optional):</b> <b>Other Adjustments</b>	(a) <b>Other income (not from jobs).</b> 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) <b>Deductions.</b> 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) <b>Extra withholding.</b> Enter any additional tax you want withheld each pay period . . . . .	4(c) \$



Additional income



Itemized deductions



Extra withholding

<b>Step 4 (optional):</b> <b>Other Adjustments</b>	(a) <b>Other income (not from jobs).</b> 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) <b>Deductions.</b> 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) <b>Extra withholding.</b> Enter any additional tax you want withheld each pay period . . . . .	4(c)	\$	

**When Claiming Exempt write it here** → **Exempt**

**These areas include:**

- (a): Other income (not from jobs). Additional income that might not be subject to withholding, like dividends or retirement income.
- (b): Deductions. Itemized deductions like mortgage interest and charitable contributions that will exceed your standard deduction
- (c): Extra withholding. Any extra withholding that you would like to withhold each pay period.

**Step 5: Sign the form**

Keep in mind that if you don't sign the form, it's invalid. That means your employer will disregard your new W-4 selections and withholding, and instead calculate your withholding as "Single."

**New worksheets on Form W-4**

The new 2020 Form W-4 has only two worksheets, down from three on the 2019 form. We'll cover both here so you can understand if you should use them, and why.

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

Using the tables on page four, 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.

<b>Married Filing Jointly or Qualifying Widow(er)</b>												
<b>Higher Paying Job Annual Taxable Wage &amp; Salary</b>	<b>Lower Paying Job Annual Taxable Wage &amp; Salary</b>											
	\$0 - 9,999	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 39,999	\$40,000 - 49,999	\$50,000 - 59,999	\$60,000 - 69,999	\$70,000 - 79,999	\$80,000 - 89,999	\$90,000 - 99,999	\$100,000 - 109,999	\$110,000 - 120,000
\$0 - 9,999	\$0	\$220	\$850	\$900	\$1,020	\$1,020	\$1,020	\$1,020	\$1,020	\$1,210	\$1,870	\$1,870
\$10,000 - 19,999	220	1,220	1,900	2,100	2,220	2,220	2,220	2,220	2,410	3,410	4,070	4,070
\$20,000 - 29,999	850	1,900	2,730	2,930	3,050	3,050	3,050	3,240	4,240	5,240	5,900	5,900

**Step 2(b) – Multiple Jobs Worksheet** *(Keep for your records.)*



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.

**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](http://www.irs.gov/W4App).

<p><b>1 Two jobs.</b> 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, <b>skip</b> to line 3 . . . . .</p>	<p><b>1</b> \$ <input style="width: 100px;" type="text"/></p>
<p><b>2 Three jobs.</b> 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><b>a</b> 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><b>b</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><b>c</b> Add the amounts from lines 2a and 2b and enter the result on line 2c . . . . .</p>	<p><b>2a</b> \$ <input style="width: 100px;" type="text"/></p> <p><b>2b</b> \$ <input style="width: 100px;" type="text"/></p> <p><b>2c</b> \$ <input style="width: 100px;" type="text"/></p>
<p><b>3</b> 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><b>3</b> <input style="width: 100px;" type="text"/></p>
<p><b>4 Divide</b> the annual amount on line 1 or line 2c by the number of pay periods on line 3. Enter this amount here and in <b>Step 4(c)</b> of Form W-4 for the highest paying job (along with any other additional amount you want withheld) . . . . .</p>	<p><b>4</b> \$ <input style="width: 100px;" type="text"/></p>

**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 goes on line 2c.

**Line 3 and 4:** apply to everyone 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 weekly, then 52 goes on line 3. If the jobs pays bi-monthly, then 24 should be entered.

**Line 4:** Line 4 simply divides the amount on either line 1 or 2c by the number of pay periods on line 3. It's the amount that's provided in step 4c.

## 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 deductions worksheet is for anyone who plans to itemize deductions. Since the TCJA increased the standard deduction, way fewer people will itemize their deductions. Many high-earners will still itemize, however, so proceed accordingly.

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

<b>Step 4(b) – Deductions Worksheet</b> <i>(Keep for your records.)</i>					
<b>1</b>	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 . . . . .	<b>1</b> \$ <input style="width: 80%;" type="text"/>			
<b>2</b>	Enter: <table style="display: inline-table; vertical-align: middle;"> <tr> <td style="font-size: 2em; vertical-align: middle;">{</td> <td style="padding: 0 10px;"> <ul style="list-style-type: none"> <li>• \$24,800 if you're married filing jointly or qualifying widow(er)</li> <li>• \$18,650 if you're head of household</li> <li>• \$12,400 if you're single or married filing separately</li> </ul> </td> <td style="font-size: 2em; vertical-align: middle;">}</td> </tr> </table> . . . . .	{	<ul style="list-style-type: none"> <li>• \$24,800 if you're married filing jointly or qualifying widow(er)</li> <li>• \$18,650 if you're head of household</li> <li>• \$12,400 if you're single or married filing separately</li> </ul>	}	<b>2</b> \$ <input style="width: 80%;" type="text"/>
{	<ul style="list-style-type: none"> <li>• \$24,800 if you're married filing jointly or qualifying widow(er)</li> <li>• \$18,650 if you're head of household</li> <li>• \$12,400 if you're single or married filing separately</li> </ul>	}			
<b>3</b>	If line 1 is greater than line 2, subtract line 2 from line 1. If line 2 is greater than line 1, enter "-0-" . . .	<b>3</b> \$ <input style="width: 80%;" type="text"/>			
<b>4</b>	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 . . . . .	<b>4</b> \$ <input style="width: 80%;" type="text"/>			
<b>5</b>	<b>Add</b> lines 3 and 4. Enter the result here and in <b>Step 4(b)</b> of Form W-4 . . . . .	<b>5</b> \$ <input style="width: 80%;" type="text"/>			

**Anyone who wants to use the estimator will need to be prepared with similar information that's requested on the W-4 worksheets. If you're interested in using the estimator, you should have the following:**

- Your most recent pay stub. It should include the amount of federal income tax withheld so far in the current tax year (2019).
- A completed copy of your most recent tax return. It will help with estimating income and other items for the current tax year.

It's important for anyone using the estimator to know that it will only be as accurate as the information entered. If you throw in a "best guess" for the requested information, the result will not be as precise.

The withholding estimator will spit out an approximation of what someone's tax liability will be for their tax return and whether their current withholding is enough to meet that obligation. Depending on a person's situation, this information may cause them to make changes to their W-4.

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

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

Finally, if you fill out a new W-4, be sure to submit it as soon as possible in the new year. You'll want the adjustments to take effect sooner rather than later, so the right amount of taxes are withheld from your paycheck for as much of the year as possible.

The new Form W-4 doesn't have to be confusing. Hopefully, this guide and collection of W-4 resources will help you avoid any surprises at tax time.

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### Tax Withholding Estimator

Use your best estimates for the year ahead to determine how to complete Form W-4 so you don't have too much or too little federal income tax withheld.

1 **About You**    2 [Income & Withholding](#)    3 [Adjustments](#)    4 [Deductions](#)    5 [Tax Credits](#)    6 [Results](#)

#### About You

Select the information that best describes how you anticipate filing your 2020 tax return.

#### 1 of 5: Filing Status

What filing status will you use for your tax return? (\*Required) ?

- Single
- Married filing jointly
- Married filing separately
- Head of Household
- Qualifying widow(er)