Banks County Human Resources
Lunch and Learn
2020 Update: Federal Tax Form
Agenda

• *Step One:* Personal information and filing status.

• *Step Two:* What to do if you have multiple jobs or your spouse works.

• *Step Three:* How to claim your dependents.

• *Step Four:* Additional income, deductions and other adjustments.

• *Step Five:* Confirm, complete, and sign.
Step One: Personal Information

- Step One is for employees to enter basic information such as name, address, Social Security number, and expected filing status.
- Everyone completes step one.
- The new form changes from Single to Single and Married Filing Separately. It also includes Head of Household.

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 Two: Multiple jobs or Spouse Works

3 Different Options – Employees should select only one of three options to ensure enough withholding.

Option One: Using the Tax Withholding Estimator
- Use the Tax Withholding Estimator tool. www.irs.gov/W4App
- The Estimator will compute all the relevant entries for the Form W-4 for that job.
- The employee/spouse will also have to complete Forms W-4 for the other jobs.

Option Two: Using the Worksheet on Page Three
- Complete the Multiple Jobs Worksheet on page 3 to determine an amount to include in Step 4(c) of the Form W-4.
- The employee or spouse must complete new Forms W-4 for the other jobs as well.

Option Three: Check the Box
- If the employee (and spouse together, if applicable) has only two jobs, the employee/spouse may check the box on a Form W-4 for each job to have tax withheld at higher rates so there will be enough withholding.
Step Three: Claim Dependents

- Allows employees to reduce withholding for child and dependent credits and other tax credits.
- Employees can calculate the child and dependent credits on the face of the form and add other credits to the total.

It’s Tax Season! The time of year when we really appreciate our kids!

<table>
<thead>
<tr>
<th>Step 3: Claim Dependents</th>
<th>If your income will be $200,000 or less ($400,000 or less if married filing jointly):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Multiply the number of qualifying children under age 17 by $2,000 ▶ $</td>
</tr>
<tr>
<td></td>
<td>Multiply the number of other dependents by $500 ▶ $</td>
</tr>
<tr>
<td></td>
<td>Add the amounts above and enter the total here ▶ $</td>
</tr>
</tbody>
</table>

3 $
Step Four: Other Adjustments

- **Step 4(a): Other income (not from jobs)**
  - Allows employees to have income tax withheld for other income that normally doesn’t have withholding, such as certain investment income and retirement income.

- **Step 4(b): Deductions**
  - Allows employees to have their employers reduce withholding for itemized deductions (less the standard deduction) and/or adjustments to income (from Form 1040 Schedule 1).
  - Employees complete the Deductions Worksheet on page 3 and enter the result in Step 4b.

- **Step 4(c): Extra Withholding**
  - Allows employees to have their employers increase withholding per pay period.
  - This is like line 6 on the 2019 Form W-4.
  - Employees can enter the amount the Tax Withholding Estimator directs them to enter in Step 4(c).
  - Employees can enter the amount from the Multiple Jobs Worksheet on page 4 in Step 4(c).
  - Employees can enter an amount of extra withholding to get a refund or cover other income.

Employees eligible to claim exemption from withholding enter “Exempt” in the space below step 4(c).

Generally, employees may complete Steps 3 and 4 to further adjust their withholding but are NOT required to.
Step Five: Sign Here

- The signature area includes the penalties of perjury statement.
- Everyone must complete Step 5 or the Form W-4 isn’t valid and the employer will apply the default withholding rule.
Form W4
Prior to 2020

2020 Form W4
Must every employee submit a 2020 Form W-4?

- No. 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 will continue to figure withholding based on the information from the employee’s most recently submitted Form W-4 and current year’s federal tax table.

- However, all newly hired employees must use the 2020 form. Similarly, any current employees who wish to adjust their withholding in 2020 must use the redesigned form.