

Form W-4 Updates and Examples

Tax and Administration

1/9/2020

Agenda

Reminders and updates

- Existing employees
- New hires
- Rehires
- Exemption from withholding preview
- Lock in letters
- NRAs

Withholding Examples

- Extra withholding
- Dependents

Reminders and Updates

- Existing employees
 - Existing employees paid before 2020 are not required to submit a new Form W-4.
 - Allowance amount for employees using Form W-4 version 2019 or Earlier is \$4,300.
- Any employee hired 1/1/2020 or after must use the Form W-4 version 2020 or Later. It is the agencies' responsibility to use the appropriate form.
- We will be modifying Bulletin 1800 to reflect new IRS guidance regarding rehires that was included in the final versions of Publication 15-T and Publication 15. Employees rehired in 2020 and who were paid in 2019 must submit a new Form W-4, with two exceptions:
 - Rehires with existing lock in letters that were not released will continue to be withheld according to the lock in letter on record.
 - Rehires who did not submit a Form W-4 in 2019 should continue to be withheld as Single, no allowances.

Reminders and Updates

- We will be issuing a bulletin later this month regarding employees requesting exemption from Federal, State and/or local withholding. As in the past, for Federal exemption, employees will need to submit a new Form W-4 by February 15. If an employee who was exempt in 2019 does not submit a new Form W-4, then their Federal tax data will need to be updated to reflect that a Form W-4 version 2020 or Later was not received (i.e., Single, no other adjustments).
- We are still waiting for revisions of the lock in letter to reflect the new Form W-4. However, we are currently processing lock in letters received in 2019 and, per IRS guidance, will be modifying employees' Form W-4 version 2019 or Earlier.
- The IRS has not yet revised Notice 1392 regarding nonresident aliens. However, Publication 15-T does include instructions for withholding depending on which version of the Form W-4 that the employee is using.

Withholding Example: Extra Withholding

Form W-4		Employee's Withholding Certificate		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		<p>▶ 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.</p>		2020	
Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number		
	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 checked="" 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.)				
<p>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.</p>					
Step 2: Multiple Jobs or Spouse Works	<p>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.</p> <p>Do only one of the following.</p> <p>(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4); or</p> <p>(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or</p> <p>(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"/></p> <p>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.</p>				
<p>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.)</p>					
Step 3: Claim Dependents	<p>If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):</p> <p>Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ _____</p> <p>Multiply the number of other dependents by \$500 ▶ \$ _____</p> <p>Add the amounts above and enter the total here 3 \$ _____</p>				
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) \$ <u>50</u>		

Withholding Example: Extra Withholding

Federal Tax Data State Tax Data Local Tax Data

Person ID: [REDACTED]

Tax Data Find | View All First 1 of 1 Last

Company: NYS STATE OF NEW YORK + -

*Effective Date: 01/01/2020 [calendar icon]

Updated By: Online Usr Date Last Updated: 12/13/2019

Federal Form W-4 Version

2020 or Later 2019 or Earlier

Federal Withholding Elements

*Special Withholding Tax Status: None ▼

*Tax Status: Single ▼ Single

Multiple Jobs or Spouse Works

Dependent Amount: \$0.00

Other Income: \$0.00

Deductions: \$0.00

Extra Withholding: \$50.00

▶ Exempt from FUT

▶ W-4 and W-5 Processing Status

▶ Lock-In Letter Details

▶ State Tax Options

▶ Tax Treaty/Non-Resident Data

▶ W2 Reporting

Withholding Example: Extra Withholding

Biweekly amount	3,899.03
Number of pay periods	26.00
Annualized amount	101,374.78
4a amount (other income)	-
Sub-total	101,374.78
4b amount (other deductions)	-
Box 2 checked?	N
Standard deduction	(8,600.00)
Subtotal	(8,600.00)
Adjusted annual wage	92,774.78
Low tax	14,605.50
Additional $((98,933.80-89,325.00)*.24)$	827.95
Subtotal	15,433.45
Dependents	-
Subtotal	15,433.45
Biweekly (divide by 26)	593.59
Extra withholding	50.00
Final withholding	643.59

Withholding Example: Extra Withholding

Paycheck Earnings | **Paycheck Taxes** | Paycheck Deductions

Empl ID: [REDACTED] Name: [REDACTED]
 Company: NYS Pay Group: AL5 Pay End Dt: 01/08/2020 Page: 3 Line: 3 Separate Check:

Paycheck Information				Paycheck Totals		
Paycheck Status:	Calculated	Paycheck Option:	Check	Earnings:	4,934.39	
Issue Date:	01/22/2020	Check #:		Taxes:	1,247.33	
<input type="checkbox"/> Off Cycle	<input type="checkbox"/> Reprint	<input type="checkbox"/> Adjustment	<input type="checkbox"/> Corrected	<input type="checkbox"/> Cashed	Deductions:	1,438.21
				Net Pay:	2,248.85	

▼ Taxes Personalize | Find | View All | First | 1-6 of 6 | Last

Tax Details 1 | Tax Details 2 | Tax Tips

Tax Entity	State	Resident	Locality	Locality Name	Tax Class	Taxable Gross	Tax Amount
US Federal					MED/EE	5,124.69	74.31
US Federal					Med/ER	5,124.69	74.31
US Federal					OASDI/EE	5,124.69	317.73
US Federal					OASDI/ER	5,124.69	317.73
US Federal					Withholding	3,899.03	643.59
State	NY	Y			Withholding	3,899.03	211.70

▼ 1042 Taxes Personalize | Find | View All | First | 1 of 1 | Last

State	Country	Tax Rate	Taxable Gross	Tax Amount	Income Code	Income Type	Withholding Allowance
		0.000000		0.00			

Save | Return to Search | Previous in List | Next in List | Notify | Previous tab | Next tab

Withholding Example: Dependent Amount

Form W-4		Employee's Withholding Certificate		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		<p>▶ 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.</p>		2020	
Step 1: Enter Personal Information	(a) First name and middle initial	Last name		(b) Social security number	
	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 checked="" 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.)				
<p>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.</p>					
Step 2: Multiple Jobs or Spouse Works	<p>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.</p> <p>(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"/></p> <p>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.</p>				
<p>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.)</p>					
Step 3: Claim Dependents	<p>If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):</p> <p>Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ <u>2000</u></p> <p>Multiply the number of other dependents by \$500 ▶ \$ _____</p> <p>Add the amounts above and enter the total here</p>			3	\$ <u>2000</u>
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)	\$ _____

Withholding example: Dependent Amount

Federal Tax Data State Tax Data Local Tax Data

Person ID: [REDACTED]

Tax Data Find | View All | First | 1 of 3 | Last

Company: NYS STATE OF NEW YORK + -

*Effective Date: 01/01/2020 📅

Updated By: Online Usr Date Last Updated: 12/16/2019

Federal Form W-4 Version

2020 or Later 2019 or Earlier

Federal Withholding Elements

*Special Withholding Tax Status: None ▼

*Tax Status: Married ▼ Married

Multiple Jobs or Spouse Works

Dependent Amount: \$2000.00

Other Income: \$0.00

Deductions: \$0.00

Extra Withholding: \$0.00

▶ Exempt from FUT

▶ W-4 and W-5 Processing Status

▶ Lock-In Letter Details

▶ State Tax Options

▶ Tax Treaty/Non-Resident Data

▶ W2 Reporting

Withholding example: Dependent Amount

Biweekly amount	2,416.74
Number of pay periods	26.00
Annualized amount	62,835.24
4a amount (other income)	-
Subtotal	62,835.24
4b amount (other deductions)	-
Box 2 checked?	N
Standard deduction	(12,900.00)
Subtotal	(12,900.00)
Adjusted annual wage	49,935.24
Low tax	1,975.00
Additional $((49,935.24 - 31,650.00) * .12)$	2,194.23
Subtotal	4,169.23
Dependents	2,000.00
Subtotal	2,169.23
Biweekly (divide by 26)	83.43
Extra withholding	-
Final withholding	83.43

Withholding example: Dependent Amount

Paycheck Earnings		Paycheck Taxes		Paycheck Deductions			
Empl ID:	██████████	Name:	██████████	Company:	NYS		
Pay Group:	AL1	Pay End Dt:	12/25/2019	Page:	1		
Line:	1	Separate Check:					
Paycheck Information			Paycheck Totals				
Paycheck Status:	Confirmed	Paycheck Option:	Advice	Earnings:	2,608.41		
Issue Date:	01/08/2020	Check #:	95401532	Taxes:	472.21		
<input type="checkbox"/> Off Cycle	<input type="checkbox"/> Reprint	<input type="checkbox"/> Adjustment	<input type="checkbox"/> Corrected	<input type="checkbox"/> Cashed	Deductions:	291.15	
					Net Pay:	1,845.05	
▼ Taxes Personalize Find View All First 1-7 of 7 Last							
Tax Details 1 Tax Details 2 Tax Tips							
Tax Entity	State	Resident	Locality	Locality Name	Tax Class	Taxable Gross	Tax Amount
US Federal					MED/EE	2,416.74	35.04
US Federal					Med/ER	2,416.74	35.04
US Federal					OASDI/EE	2,416.74	149.84
US Federal					OASDI/ER	2,416.74	149.84
US Federal					Withholdng	2,416.74	83.43
State	NY	Y			Withholdng	2,416.74	121.37
State	NY	Y	P0001	NEW YORK	Withholdng	2,416.74	82.53
▼ 1042 Taxes Personalize Find View All First 1 of 1 Last							
State	Country	Tax Rate	Taxable Gross	Tax Amount	Income Code	Income Type	Withholding Allowance
		0.000000		0.00			