

e-Alert: IRS to Release New W-4 for 2020



Background

A near final “early draft” of the Form W-4, Employee’s Withholding Certificate for 2020, was recently released by the Internal Revenue Service (IRS). The final version of this new 2020 W-4 is scheduled to be released in late November.

This new form is for employees hired after 2019 and current employees who wish to adjust their withholding after 2019.

Summary

Changes for 2020

Despite new withholding tables being released for 2018 and 2019 after the significant changes to tax rates, deductions, tax credits, and withholding calculations with the Tax Cuts and Jobs Act (TCJA), Form W-4 was not changed much. This new 2020 W-4 Form includes changes that reduce complexity and increase the

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transparency and accuracy of the withholding system. Some of these changes include:

- Removal of the total number of allowances line
- Addition of new input elements for Federal Income Tax withholding calculations
- Removal of complicated worksheets
- Addition of straightforward questions to make it easier for employees to make accurate withholding choices
- Addition of a separate tax table for employees who would like the option of a higher withholding. This new table is intended to make it easier to adjust withholding for two-earner households.

Employer Next Steps

- Payroll departments may want to inform their Human Resources departments and others who are involved in the hiring process.
- Remember that current employees can leave their 2019 W-4 forms or prior forms unchanged indefinitely.
- You may want to inform your employees that if they wish to make changes after 2019, they will be required to use the new 2020 version of Form W-4.
- If you are a Full-Service or Managed Payroll client utilizing ADP's Workforce Now through HR Knowledge, this new form W-4 will be automatically update within the system.
- If you are a Full-Service or Managed Payroll client on ADP RUN, we will automatically update the newly released W-4 into your New Hire Kits.

Resources

- [Draft 2020 IRS Form W-4](#)
- [2020 Form W-4 FAQs](#)

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