

Title: IRS Revised Form W-4 for 2020 Employee Withholding – Effective January 1, 2020

The IRS has announced significant improvements to IRS Form W-4, Employee's Withholding Certificate, for 2020.

The new Form W-4 reflects tax code changes ushered in by the 2017 Tax Cuts and Jobs Act. Unlike the current Form W-4, the revised form no longer considers withholding allowances, which were tied to personal exemption. It also replaces complicated worksheets with more straightforward questions.

Key points to the revision are:

- After 2019, new hires must use the 2020 Form W-4.
- Current employees are not required to submit a new Form W-4; withholding will continue based on the most recent Form W-4 that the employee submitted.
- Only Steps 1 and 5 are required (name, address, filing status and signature).
- Steps 2, 3 and 4 generally permit adjustments to withholding to compensate for two-earner householders, other income, tax credits or deductions. These steps are optional but may result in more accurate withholding.
- There is still the option to withhold an additional amount per-paycheck.

Even though the IRS does not require employees to complete the revised form and even if your tax situation has not changed, we recommend you perform a “paycheck checkup” to see if you need to make adjustments to your current withholding. To conduct the checkup, you can use the IRS's Tax Withholding Estimator (www.irs.gov/W4App). To effectively use the estimator, it is helpful to have a copy of your most recent pay stub and tax return. It is likely that the estimator will be updated to account for the 2020 tax tables in early January. **Please note: if you do not submit a new form, withholding will continue based on your previously submitted form.**

The IRS has published Frequently Asked Questions that you may find helpful as you complete the form (<https://www.irs.gov/newsroom/faqs-on-the-draft-2020-form-w-4>).