

New Form W-4 (1/1/20)

The IRS released the long-awaited final version of the 2020 Form W-4, retitled Employee's Withholding Certificate, with major revisions designed to make accurate income-tax withholding easier for employees starting next year. In August, the IRS posted FAQs about the changes incorporated in the revised form.

These are the key points employers should note, the IRS said when the final version of the 2020 Form W-4 was released:

- ** All new employees hired as of Jan. 1, 2020, must complete the new form.
- ** Current employees are not required to complete a new form but can choose to adjust their withholding based on the new form.
- * ** Any adjustments made after Jan. 1, 2020, must be made using the new form.
- ** Employers can still compute withholding based on information from employees' most recently submitted Form W-4 if employees choose not to adjust their withholding using the revised form.
- ** A new Publication 15-T, Federal Income Tax Withholding Methods, to be released in mid-December for use with the new 2020 Form W-4, will include steps employers can take to determine federal withholding.

The IRS updated the W-4 form to reflect tax code changes ushered in by the Tax Cuts and Jobs Act, which took effect last year. Unlike the 2019 Form W-4, the revised form excludes withholding allowances, which were tied to the personal exemption amount—\$4,050 for 2017—and are now suspended (hence the form's name change from Employee's Withholding Allowance Certificate). It also replaces complicated worksheets with more straightforward questions.

Read the rest of the article:

IRS Overhauls Form W-4 for 2020 Employee Withholding (www.shrm.org/resourcesandtools/hr-topics/compensation/pages/irs-overhauls-form-w-4-for-2020-employee-withholding.aspx)

SHRM | Dec 2019

Sample Notice to Employees - What You Need to Know About the New Form W-4 (www.shrm.org/ResourcesAndTools/tools-and-samples/hr-forms/Pages/What-You-Need-to-Know-About-the-New-Form-W-4.aspx)

SHRM

IRS Resources

W-4 Employee's Withholding Certificate (<https://www.irs.gov/pub/irs-pdf/fw4.pdf>)

FAQs (<https://www.irs.gov/newsroom/faqs-on-the-draft-2020-form-w-4>)

About Form W-4, Employee's Withholding Certificate (<https://www.irs.gov/forms-pubs/about-form-w-4>)

On-Demand Webinar (<https://www.irs.gov/individuals/tax-withholding-estimator>)

Tax Withholding Estimator (<https://www.irs.gov/individuals/tax-withholding-estimator>)

Sample

Sample Letter Explaining the 2020 Form W-4 to Employees (https://www.americanpayroll.org/docs/default-source/2019-forms-and-pubs/19m12-2020_form_w-4_letter.pdf)

American Payroll Association | Nov 2019

Additional Articles

The IRS is not to grant a compliance grace period for implementing the form and compatible withholding methods, the agency said in September. Employers that do not update payroll systems by Jan. 1 should use the manual withholding instructions in Publication 15-T, it said.

IRS Issues Final Version of 2020 Employee Withholding Form (<https://news.bloombergtax.com/payroll/irs-issues-final-version-of-2020-employee-withholding-form>)

Bloomberg Tax | Dec 2019

Payroll departments may wish to inform Human Resources and others involved in the hiring process so that they are aware. It may be necessary to adjust certain hiring and/or onboarding procedures. For example, it may be helpful to offer new employees additional time and a private room to complete the form, or permit new employees to take the Form W-4 home for completion.

Final IRS 2020 Form W-4 Released (<https://www.adp.com/resources/articles-and-insights/articles/e/eow-final-irs-2020-form-w-4-released.aspx>)

ADP | Dec 2019

An employee may claim exemption from withholding in tax year 2020 if: (1) the employee had no federal income tax liability in 2019 and (2) the employee expects to have no federal income tax liability in 2020.

IRS Issues 2020 Form W-4 (<https://tax.thomsonreuters.com/blog/irs-issues-2020-form-w-4/>)

Thomson Reuters | Dec 2019

SURVEY: Tell us what you think (https://www.surveymonkey.com/r/Express_Request_Survey) about the Express Request service in four quick questions.

SHRM Store: As a subscriber to the FLSA Audit Tool (<https://store.shrm.org/SHRM-FLSA-Audit-Tool>), you can gain peace of mind that your Fair Labor Standards Act (FLSA) practices are in compliance with today's evolving wage and hour laws and regulations. Conduct unlimited audits and employee classification reports, and receive compliance reports throughout your 1-year subscription.

Feedback

HR DAILY NEWSLETTER

News, trends and analysis, as well as breaking news alerts, to help HR professionals do their jobs better each business day.

Email Address

**CONTACT US (WWW.SHRM.ORG/ABOUT-SHRM/PAGES/CONTACT-US.ASPX) | 800.283.SHRM
(7476)**

© 2019 SHRM. All Rights Reserved

SHRM provides content as a service to its readers and members. It does not offer legal advice, and cannot guarantee the accuracy or suitability of its content for a particular purpose.

Disclaimer (www.shrm.org/about-shrm/Pages/Terms-of-Use.aspx#Disclaimer)