

# Using the form W-4

A Walkthrough



**Atlantic**  
PAYROLL PARTNERS

The following is for demonstration purposes only and is not to be considered tax advice. If you have questions you should consult your tax professional or the IRS.

The IRS has created an online application to help you complete the form W-4. Visit <https://apps.irs.gov/app/tax-withholding-estimator/about-you> for more information.

# On the old form your dependents looked like this...

Personal Allowances Worksheet (Keep for your records.)	
<b>A</b> Enter "1" for yourself . . . . .	<b>A</b> 1
<b>B</b> Enter "1" if you will file as married filing jointly . . . . .	<b>B</b> 1
<b>C</b> Enter "1" if you will file as head of household . . . . .	<b>C</b> 1
<b>D</b> Enter "1" if: { <ul style="list-style-type: none"> <li>• You're single, or married filing separately, and have only one job; or</li> <li>• You're married filing jointly, have only one job, and your spouse doesn't work; or</li> <li>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</li> </ul>	<b>D</b> _____
<b>E Child tax credit.</b> See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> <li>• If your total income will be less than \$71,201 (\$103,351 if married filing jointly), enter "4" for each eligible child.</li> <li>• If your total income will be from \$71,201 to \$179,050 (\$103,351 to \$345,850 if married filing jointly), enter "2" for each eligible child.</li> <li>• If your total income will be from \$179,051 to \$200,000 (\$345,851 to \$400,000 if married filing jointly), enter "1" for each eligible child.</li> <li>• If your total income will be higher than \$200,000 (\$400,000 if married filing jointly), enter "-0-" . . . . .</li> </ul>	<b>E</b> 12
<b>F Credit for other dependents.</b> See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> <li>• If your total income will be less than \$71,201 (\$103,351 if married filing jointly), enter "1" for each eligible dependent.</li> <li>• If your total income will be from \$71,201 to \$179,050 (\$103,351 to \$345,850 if married filing jointly), enter "1" for every two dependents (for example, "-0-" for one dependent, "1" if you have two or three dependents, and "2" if you have four dependents).</li> <li>• If your total income will be higher than \$179,050 (\$345,850 if married filing jointly), enter "-0-" . . . . .</li> </ul>	<b>F</b> 1
<b>G Other credits.</b> If you have other credits, see Worksheet 1-6 of Pub. 505 and enter the amount from that worksheet here. If you use Worksheet 1-6, enter "-0-" on lines E and F . . . . .	<b>G</b> _____
<b>H</b> Add lines A through G and enter the total here . . . . . ▶	<b>H</b> 16

For accuracy, complete all worksheets that apply.

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, or if you have a large amount of nonwage income not subject to withholding and want to increase your withholding, see the **Deductions, Adjustments, and Additional Income Worksheet** below.
- If you **have more than one job at a time** or are **married filing jointly and you and your spouse both work**, and the combined earnings from all jobs exceed \$53,000 (\$24,450 if married filing jointly), see the **Two-Earners/Multiple Jobs Worksheet** on page 4 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 above.

The **IRS** has cleaned this up a bit.

The allowance sheet is **different** and so is the worksheet for your spouse's job or your other job.

We're going to look at the **differences** and see how they impact you in the **real world**.

5 Total number of allowances you're claiming (from the applicable worksheet on the following pages) . . . . . 5 16

# Filling out the NEW form W-4 is easy!

<b>Step 3:</b>	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
<b>Claim Dependents</b>	Multiply the number of qualifying children under age 17 by <span style="border: 1px solid black; padding: 2px;">\$2,000</span> ▶ \$ <b>\$6,000</b>		
	Multiply the number of other dependents by <span style="border: 1px solid black; padding: 2px;">\$500</span> . . . . ▶ \$ <b>\$500</b>		
	Add the amounts above and enter the total here . . . . .	<b>3</b>	\$ <b>\$6,500</b>
<b>Step 4 (optional): Other Adjustments</b>	<b>(a) Other income (not from jobs).</b> 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 . . . . .	<b>4(a)</b>	\$ _____
	<b>(b) Deductions.</b> 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 . . . . .	<b>4(b)</b>	\$ _____
	<b>(c) Extra withholding.</b> Enter any additional tax you want withheld each pay period . . . . .	<b>4(c)</b>	\$ _____
<b>Step 5: Sign Here</b>	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.		
	▶ _____ ▶ <b>Employee's signature</b> (This form is not valid unless you sign it.)		_____ ▶ <b>Date</b>
<b>Employers Only</b>	Employer's name and address	First date of employment	Employer identification number (EIN)
	_____	_____	_____

There are **no more** allowances. When you want credit for your dependents you must do the highlighted math.

If you have **3 kids under 17** you need to multiply the number of kids by **\$2,000**. The total of \$6,000

If you have other dependents, multiply the number of dependents by \$500. Pretend you have 1. The answer would be \$500.

**Then add \$6,000 + \$500 for \$6,500 and put on line 3.**

# Filling out the NEW form W-4 is easy!

<b>Step 3:</b>	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
<b>Claim Dependents</b>	Multiply the number of qualifying children under age 17 by <input type="text" value="\$2,000"/> ▶ \$ <input type="text" value="0"/>		
	Multiply the number of other dependents by <input type="text" value="\$500"/> . . . . ▶ \$ <input type="text" value="\$500"/>		
	Add the amounts above and enter the total here . . . . .	<b>3</b>	\$ <input type="text" value="\$500"/>
<b>Step 4 (optional): Other Adjustments</b>	<b>(a) Other income (not from jobs).</b> 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 . . . . .	<b>4(a)</b>	\$ <input type="text"/>
	<b>(b) Deductions.</b> 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 . . . . .	<b>4(b)</b>	\$ <input type="text"/>
	<b>(c) Extra withholding.</b> Enter any additional tax you want withheld each pay period . . . . .	<b>4(c)</b>	\$ <input type="text"/>
<b>Step 5: Sign Here</b>	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.		
	▶ _____ ▶ <b>Employee's signature</b> (This form is not valid unless you sign it.)		_____ ▶ <b>Date</b>
<b>Employers Only</b>	Employer's name and address	First date of employment	Employer identification number (EIN)
	<input type="text"/>	<input type="text"/>	<input type="text"/>

What if you have **no** children?  
Place a zero on that line and move to the next line.

If you have other dependents, multiply the number of dependents by \$500. Lets pretend you have 1. The answer would be \$500.

**Put \$500 and on line 3.**

# Married and you both work?

This step is optional but it's a step you should complete it, if you want to avoid owing money to the government at the end of the year.

Form W-4 (2020)

Page 4

Married Filing Jointly or Qualifying Widow(er)												
Higher Paying Job Annual Taxable Wage & Salary	Lower Paying Job Annual Taxable Wage & Salary											
	\$0 - 9,999	\$10,000 - 19,999	\$20,000 - 29,999	\$30,000 - 39,999	\$40,000 - 49,999	\$50,000 - 59,999	\$60,000 - 69,999	\$70,000 - 79,999	\$80,000 - 89,999	\$90,000 - 99,999	\$100,000 - 109,999	\$110,000 - 120,000
\$0 - 9,999	\$0	\$220	\$850	\$900	\$1,020	\$1,020	\$1,020	\$1,020	\$1,020	\$1,210	\$1,870	\$1,870
\$10,000 - 19,999	220	1,220	1,900	2,100	2,220	2,220	2,220	2,220	2,410	3,410	4,070	4,070
\$20,000 - 29,999	850	1,900	2,730	2,930	3,050	3,050	3,050	3,240	4,240	5,240	5,900	5,900
\$30,000 - 39,999	900	2,100	2,930	3,130	3,250	3,250	3,440	4,440	5,440	6,440	7,100	7,100
\$40,000 - 49,999	1,020	2,220	3,050	3,250	3,370	3,570	4,570	5,570	6,570	7,570	8,220	8,220
\$50,000 - 59,999	1,020	2,220	3,050	3,250	3,570	4,570	5,570	6,570	7,570	8,570	9,220	9,220
\$60,000 - 69,999	1,020	2,220	3,050	3,440	4,570	5,570	6,570	7,570	8,570	9,570	10,220	10,220
\$70,000 - 79,999	1,020	2,220	3,240	4,440	5,570	6,570	7,570	8,570	9,570	10,570	11,220	11,240
\$80,000 - 99,999	1,060	3,260	5,090	6,290	7,420	8,420	9,420	10,420	11,420	12,420	13,260	13,460
\$100,000 - 149,999	1,870	4,070	5,900	7,100	8,220	9,320	10,520	11,720	12,920	14,120	14,980	15,180
\$150,000 - 239,999	2,040	4,440	6,470	7,870	9,190	10,390	11,590	12,790	13,990	15,190	16,050	16,250
\$240,000 - 259,999	2,040	4,440	6,470	7,870	9,190	10,390	11,590	12,790	13,990	15,520	17,170	18,170
\$260,000 - 279,999	2,040	4,440	6,470	7,870	9,190	10,390	11,590	13,120	15,120	17,120	18,770	19,770
\$280,000 - 299,999	2,040	4,440	6,470	7,870	9,190	10,720	12,720	14,720	16,720	18,720	20,370	21,370
\$300,000 - 319,999	2,040	4,440	6,470	8,200	10,320	12,320	14,320	16,320	18,320	20,320	21,970	22,970
\$320,000 - 364,999	2,720	5,920	8,750	10,950	13,070	15,070	17,070	19,070	21,290	23,590	25,540	26,840
\$365,000 - 524,999	2,970	6,470	9,600	12,100	14,530	16,830	19,130	21,430	23,730	26,030	27,980	29,280
\$525,000 and over	3,140	6,840	10,170	12,870	15,500	18,000	20,500	23,000	25,500	28,000	30,150	31,650

**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)** \$ \_\_\_\_\_

Row (highest salary) then column (lower salary)...

Example: You earn \$28,900/year  
Your spouse earns \$22,000/year

They intersect at **\$2,730**

# Married and you both work?

This step is optional but it's a step you should complete it, if you want to avoid owing money to the government at the end of the year.

**Step 2(b)—Multiple Jobs Worksheet** *(Keep for your records.)*



If you choose the option in Step 2(b) on Form W-4, complete this worksheet (which calculates the total extra tax for all jobs) on **only ONE** Form W-4. Withholding will be most accurate if you complete the worksheet and enter the result on the Form W-4 for the highest paying job.

**Note:** If more than one job has annual wages of more than \$120,000 or there are more than three jobs, see Pub. 505 for additional tables; or, you can use the online withholding estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App).

**1 Two jobs.** If you have two jobs or you're married filing jointly and you and your spouse each have one job, find the amount from the appropriate table on page 4. Using the "Higher Paying Job" row and the "Lower Paying Job" column, find the value at the intersection of the two household salaries and enter that value on line 1. Then, **skip** to line 3 . . . . . **1** \$ \$2730

**2 Three jobs.** If you and/or your spouse have three jobs at the same time, complete lines 2a, 2b, and 2c below. Otherwise, skip to line 3.

**a** Find the amount from the appropriate table on page 4 using the annual wages from the highest paying job in the "Higher Paying Job" row and the annual wages for your next highest paying job in the "Lower Paying Job" column. Find the value at the intersection of the two household salaries and enter that value on line 2a . . . . . **2a** \$ \_\_\_\_\_

**b** Add the annual wages of the two highest paying jobs from line 2a together and use the total as the wages in the "Higher Paying Job" row and use the annual wages for your third job in the "Lower Paying Job" column to find the amount from the appropriate table on page 4 and enter this amount on line 2b . . . . . **2b** \$ \_\_\_\_\_

**c** Add the amounts from lines 2a and 2b and enter the result on line 2c . . . . . **2c** \$ \_\_\_\_\_

**3** Enter the number of pay periods per year for the highest paying job. For example, if that job pays weekly, enter 52; if it pays every other week, enter 26; if it pays monthly, enter 12, etc. . . . . **3** 26

**4 Divide** the annual amount on line 1 or line 2c by the number of pay periods on line 3. Enter this amount here and in **Step 4(c)** of Form W-4 for the highest paying job (along with any other additional amount you want withheld) . . . . . **4** \$ \$105

Remember the two jobs intersect at **\$2,730.**

\$2,730 goes on line 1.

*Skip to number 3 (complete #2 if you have 3 jobs between you and your spouse).*

*Do the following math for the highest paying job. For most people it will be 26 pay periods.*

Divide \$2,730/26 = **\$105**

Place the answer, \$105 on line 4.

**Turn to next page to for updated worksheet.**

# Filling out the NEW form W-4 is easy!

<b>Step 3:</b> <b>Claim Dependents</b>	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
	Multiply the number of qualifying children under age 17 by <input type="text" value="\$2,000"/> ▶	\$	<input type="text" value="\$6,000"/>
	Multiply the number of other dependents by <input type="text" value="\$500"/> . . . . ▶	\$	<input type="text" value="\$500"/>
	Add the amounts above and enter the total here . . . . .	<b>3</b>	\$ <b>\$6,500</b>
<b>Step 4 (optional):</b> <b>Other Adjustments</b>	<b>(a) Other income (not from jobs).</b> 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 . . . . .		
		<b>4(a)</b>	\$ <input type="text"/>
	<b>(b) Deductions.</b> 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 . . . . .		
		<b>4(b)</b>	\$ <input type="text"/>
	<b>(c) Extra withholding.</b> Enter any additional tax you want withheld each pay period .		<b>4(c)</b> \$ <b>\$105</b>
<b>Step 5:</b> <b>Sign Here</b>	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.		
	▶ <input type="text"/> <b>Employee's signature</b> (This form is not valid unless you sign it.)		▶ <input type="text"/> <b>Date</b>
<b>Employers Only</b>	Employer's name and address	First date of employment	Employer identification number (EIN)
	<input type="text"/>	<input type="text"/>	<input type="text"/>

We're back on the first page with the person who had three children and one additional dependent.

You can see on line 4c that \$105 has been entered.

*This is the additional amount that will be deducted from each paycheck this will help you to avoid owing taxes.*

# The Real World...

## What would your paycheck look like?

You're married with 3 kids under 17 and 1 additional dependent.

We've already calculated that you would have a credit for \$6,500 accounted for when it comes to Federal taxes and an additional withholding of \$105 for your spouse.

You work at **A Pizza Place in Florida** making \$28,900/year.

Your spouse makes \$22,000.

### **OLD FORM 16 Allowances**

You turn your form W-4 into us. Here's what happens next...

We already know your salary of \$28,900.

We now know:

to account for the money you spouse makes and  
to account for your children and dependents.

When you receive your paycheck it is estimated that you will receive the following...

<b>Gross Pay</b>	<b>\$1,111.54</b>
Federal Withholding	\$105
Social Security	\$68.92
Medicare	\$16.12
FL State	\$0.00
<b>Net Pay per Paycheck</b>	<b>\$921.50</b>

# The Real World...

## What would your paycheck look like?

You're single with 3 kids under 17 and 3 additional dependents.

The dependent calculation would now be **\$7,500** accounted for when it comes to Federal taxes.

You work at **A Landscaper Place in Florida** making \$17,596.80/year.

**18 OLD FORM  
Allowances**

You turn your form W-4 into us. Here's what happens next...

We already know your salary of \$17,596.80.

We now know:

to account for your children and dependents.

When you receive your paycheck it is estimated that you will receive the following...

<b>Gross Pay</b>	<b>\$676.80</b>
Federal Withholding	\$0
Social Security	\$41.96
Medicare	\$9.81
FL State	\$0.00
<b>Net Pay per Paycheck</b>	<b>\$625.03</b>

# The Real World...

## What would your paycheck look like?

You're single with 3 kids under 17 and 3 additional dependents.

The dependent calculation would now be **\$7,500** accounted for when it comes to Federal taxes.

You worked at **A Landscaper Place in West Virginia** making \$18,200/year.

**18 OLD FORM  
Allowances**

You turn your form W-4 into us. Here's what happens next...

We already know your salary of \$18,200.

We now know:

to account for your children and dependents.

When you receive your paycheck it is estimated that you will receive the following...

<b>Gross Pay</b>	<b>\$700</b>
Federal Withholding	\$0
Social Security	\$43.40
Medicare	\$10.15
WV State	\$24.00
<b>Net Pay per Paycheck</b>	<b>\$622.45</b>

# The Real World...

## What would your paycheck look like?

You're single with no kids and no dependents.

You worked at **A Thrift Shop in Florida** making \$17,596/year.

**OLD FORM 1-2 Allowances**

You turn your form W-4 into us. Here's what happens next...

We already know your salary of \$17,596.00

When you receive your paycheck it is estimated that you will receive the following...

<b>Gross Pay</b>	<b>\$676.80</b>
Federal Withholding	\$48.80
Social Security	\$41.96
Medicare	\$9.81
FL State	\$0.00
<b>Net Pay per Paycheck</b>	<b>\$622.45</b>