

# Using the New W4



The new W4 applies to any newly added employee on or after January 1, 2020 or any employee that makes changes to their W4 on or after January 1, 2020.



Specific questions can be directed to the IRS website: <https://www.irs.gov/newsroom/faqs-on-the-2020-form-w-4>

The steps below assist in what values on the new W4 apply to what fields on the 001 federal record. The highlighted fields indicate what values may need something entered (based on the employee's completed W4).

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Find: _____ Y Add: 000 Mask: _____
      SSN/ID Code Last name First name Conceal
ID: 111111111 Code: 001 Name:
Deduction type - Federal Tax Name: FARMERS & MERCHANTS STATE BANK
Calculate option: E # exemptions: _____ Fringe benefits: _____
Tax percent : _____ Pension plan: A Life Ins. cost : _____
Add'l withhold : _____ Hth Reimb: _____ Adopt. assist. : _____
Error adjustment: _____ Emplr Hth: _____ Dependent care : _____
Move Exp : _____ Third party pay: _____
Marital/filing stat: _____ Tax. Ben : _____ Vehicle lease : _____
Use new W4 : N -----Accum--QTD Totals--FYTD Totals--YTD Totals
2 like jobs: _____ Deduct : _____
Depend: _____ Gross pay: _____
Income: _____ Tax gross: _____
Deduct: _____ Add whold: _____

DEDSN - Deduction record data maintenance program
F6 Top F11 Find F17 Lockmode
F7 Help F12 Add F18 Set defaults
F8 Exit F13 Delete F20 Switch
F10 Next F14 Modify
```

1. First set the 'Use new W4' field to Y.
2. Based on the box checked in 1c, enter the coordinating filing status in the 'Marital/filing stat' second \_\_\_ field.



Single or Married filing separately = 1

Married filing jointly = 2

Head of household = 3

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www.ssa.gov.
(c)  Single or Married filing separately
 Married filing jointly (or Qualifying widow(er))
 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.)
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The system requires a value be placed in both \_\_\_ \_\_\_ fields. When the 'Use new W4' field is set to a Y, the first \_\_\_ is NOT used at all. Enter a 1 or 2 in this field to allow the record to be added.

3. Based on the box in Step 2c, enter Y or N in the '2 like jobs' field.



Y = Box in 2c is checked

N = Box in 2c is not checked

**Step 2:  
Multiple Jobs  
or Spouse  
Works**

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.

- (a) Use the estimator at [www.irs.gov/W4App](http://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 . . . . .

**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.

4. Based on the value in Step 3, enter that amount in the 'Depend' field.

<b>Step 3: Claim Dependents</b>	<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 ▶ \$ <input style="width: 100px;" type="text"/></p> <p>Multiply the number of other dependents by \$500 . . . . . ▶ \$ <input style="width: 100px;" type="text"/></p> <p>Add the amounts above and enter the total here . . . . . <b>3</b> \$ <input style="width: 100px;" type="text"/></p>		
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5. Based on the value in Step 4a, enter that amount in 'Income' field.

<b>Step 4 (optional): Other Adjustments</b>	<p><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 style="width: 100px;" type="text"/></p>		
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6. Based on the value in Step 4b, enter that amount in the 'Deduct' field.

<b>Adjustments</b>	<p><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 style="width: 100px;" type="text"/></p>		
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7. Based on the value in Step 4c, enter that amount in the 'Addtl withhold' field.

	<p><b>(c) Extra withholding.</b> Enter any additional tax you want withheld each pay period . . . . . <b>4(c)</b> \$ <input style="width: 100px;" type="text"/></p>		
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