



# NAVIGATING FORM W-4 2020

Employee Withholding Certificate

## Purpose of the W4 redesign:



The redesign is supposed to make the form simpler to complete and easier for workers to accurately tell employers how much federal income tax to withhold from their paychecks.

# Using the new W4 2020



Starting in 2020, workers completing a W-4 will need to use the updated form - whether it's for a new job, to account for a life change (such as marriage or having a baby), or simply to adjust their withholding amount.



If your employee already has a W-4 on file and doesn't wish to make any changes, the employee is **NOT** required to complete a new W-4.

iSolved supports both the old and the new form W-4

# Tax advice



- **DON'T DO IT!**

- While it may be tempting to help during a transitional period like this, remember employers are not allowed to provide “tax advice” to employees.
- Direct your employees to the IRS' ready resources...



# IRS RESOURCES

## 1. Tax Withholding Estimator

Developed by the IRS, this online tool helps taxpayers identify their withholding to help them have the right amount of tax withheld from their paychecks. Helps with steps 2,3, and 4 of the new form

[www.irs.gov/W4APP](http://www.irs.gov/W4APP)

## 2. FAQs on the 2020 Form W-4

From the purpose behind the redesign to varying tax situations, the IRS addresses taxpayer questions.

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

Because the new form requires detailed knowledge of the prior year's tax return, it may be helpful to permit 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.



# New Form W-4 2020

**There are five sections on the 2020 Form W-4**  
**Only step 1 and 5 are required to be filled out**

- ✓ **Step 1** – Basic personal information and filing Status - **required**
- ✓ **Step 2** – only necessary if the employee has more than one job or is married filing jointly with a working spouse
- ✓ **Step 3** – Complete if the employee is claiming Tax Credits for dependents
- ✓ **Step 4** – For employees with other adjustments (additional income such as interest, dividends and/or any additional tax the employee wants withheld)
- ✓ **Step 5** – Signature - **required**

**iSolved accommodates the W-4 changes in both the wizard and on the Tax Information page under Employee Pay**

# Transposing the paper W4 2020 into iSolved

## Tax Information

Tax Info Other Taxes Additional States

Save Cancel

### Federal Income Tax

Filing Status: Married ▼

Block Tax

Exemptions: 1

Additional \$:  Dollars ▼

### Tax Location

\* Residence Location: VA0851320

\* Work Location: RICHMOND, VA ▼

Taxable School District: ▼

Reciprocity Rule: ▼ ⓘ

Filing Type Override: ▼

### VA State Income Tax (Residence)

Tax Description: VIRGINIA WH

### City Income Tax (Residence)

Tax Description: No city income tax for current residence

# (Step 1) Filing Status Form W-4 2020

- 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.)**

The tax information screen in iSolved has changed to accommodate the new filing statuses listed on the Form W-4 2020

\*When making tax updates, do not choose "single" or "married" as a filing status

\*The 2019 Filing Statuses of "single" and "married" will continue to appear in the drop-down to accommodate those not electing to make a change to their tax information

The screenshot shows the 'Federal Income Tax' section of a form. A dropdown menu for 'Filing Status:' is open, showing options: 'Head of Household', 'Married', 'Married Filing Jointly', 'Single', and 'Single or Married Filing Separately'. The 'Single or Married Filing Separately' option is highlighted in blue. Below this, the 'VA State Income Tax (R)' section is visible, with 'Tax Description:' set to 'VIRGINIA WH'. Other fields include 'Filing Status:' (N/A), 'Alternate Calculation:' (N/A), 'Block Tax' (unchecked), and several input fields for 'Exemptions:', 'Addl Exemptions:', 'Exemption Amount \$:', and 'Additional \$:' with a 'Dollars' dropdown.



# Changing the Filing Status

- Once a filing status has been changed to one of the new 2020 withholding statuses:
  - Single or Married filing separately
  - Married Filing Jointly
  - Head of Household

Additional boxes will appear to accommodate the employee's information completed on steps 2,3 and 4 from the new 2020 W-4 withholding certificate



**Federal Income Tax**

Filing Status:

Block Tax

Multiple Jobs or Spouse Works

Dependents Amount:

Other Income Amount:

Deductions Amount:

Additional \$:

# Standard Deductions

**Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5.** See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

## Form W-4 2020

If the employee only wants the standard deduction associated with their filing status, they would skip steps 2-4 and sign on step 5

IRS STANDARD DEDUCTION		
2017	2019	Filing status
\$6,350	<b>\$12,200</b>	Single
\$9,350	<b>\$18,350</b>	Head of household
\$12,700	<b>\$24,400</b>	Married filing jointly
\$6,350	<b>\$12,200</b>	Married filing separately
\$12,700	<b>\$24,400</b>	Qualifying widow(er)

Multiple Jobs or Spouse Works

Dependents Amount:

Other Income Amount:

Deductions Amount:

Additional \$:  Dollars ▼

## iSolved

To accommodate employees who only complete step 1 and 5 on the Form W-4 2020 leave these boxes blank and click save.

# (Step 2) Households with Multiple Jobs (of similar pay)



## 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.

## Form W-4 2020

If the employee has two jobs of similar pay or the employee and spouse have two jobs of similar pay, this box should be checked (both spouses should check this box)

## iSolved

To accommodate Step 2 (c) on the Form W-4 2020, check the multiple job or Spouse works box

Filing Status:

Block Tax

Multiple Jobs or Spouse Works

# (Step 2) Households with Multiple Jobs (with different pay amounts)



**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.

To get the most accurate withholding amount use the **estimator** at [www.irs.gov/W4App](http://www.irs.gov/W4App)

**Multiple job worksheet** will give you a roughly accurate withholding

Only one wage earner needs to enter the additional tax amount calculated from the worksheet or estimator in **box 4(c)** (additional \$ in iSolved)

Federal Income Tax

Filing Status:

Block Tax

Multiple Jobs or Spouse Works

Dependents Amount:

Other Income Amount:

Deductions Amount:

Additional \$:  Dollars

# (Step 3) Claiming Tax Credits for Dependents



<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 \$2,000 ▶ \$	
	Multiply the number of other dependents by \$500 . . . . . ▶ \$	
	Add the amounts above and enter the total here . . . . .	<b>3</b> \$

**Form W-4 2020**  
Total amount for dependents is displayed here

**iSolved**  
To accommodate the total amount for dependents from the form W-4 2020, enter the amount from Step 3 here

**Federal Income Tax**

Filing Status:

Block Tax

Multiple Jobs or Spouse Works

Dependents Amount:

Other Income Amount:

Deductions Amount:

Additional \$:  Dollars

Dependents are only claimed by one wage earner

# (Step 4) Other Adjustments



**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 . . . . .
- (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 . . . . .
- (c) **Extra withholding.** Enter any additional tax you want withheld each pay period . . . . .

4(a)	\$	
4(b)	\$	
4(c)	\$	

**Form W-4 2020**  
Additional deductions or tax withheld is accounted for in Step 4 of Form W-4 2020

**iSolved**

To accommodate any additional adjustments listed on Step 4 of Form W-4 2020, iSolved use these boxes

Take careful note of box 4(c). This is the only box and amount that is a per paycheck amount. All others are per year amounts

After filling in these boxes, the Form W-4 has been transposed into iSolved. Click Save

**Federal Income Tax**

Filing Status:

Block Tax

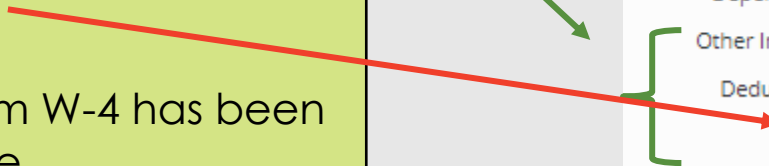
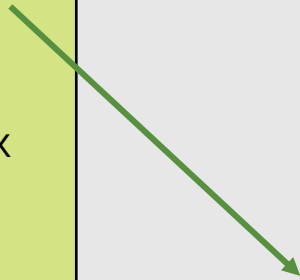
Multiple Jobs or Spouse Works

Dependents Amount:

Other Income Amount:  4(a)

Deductions Amount:  4(b)

Additional \$:  Dollars 4(c)





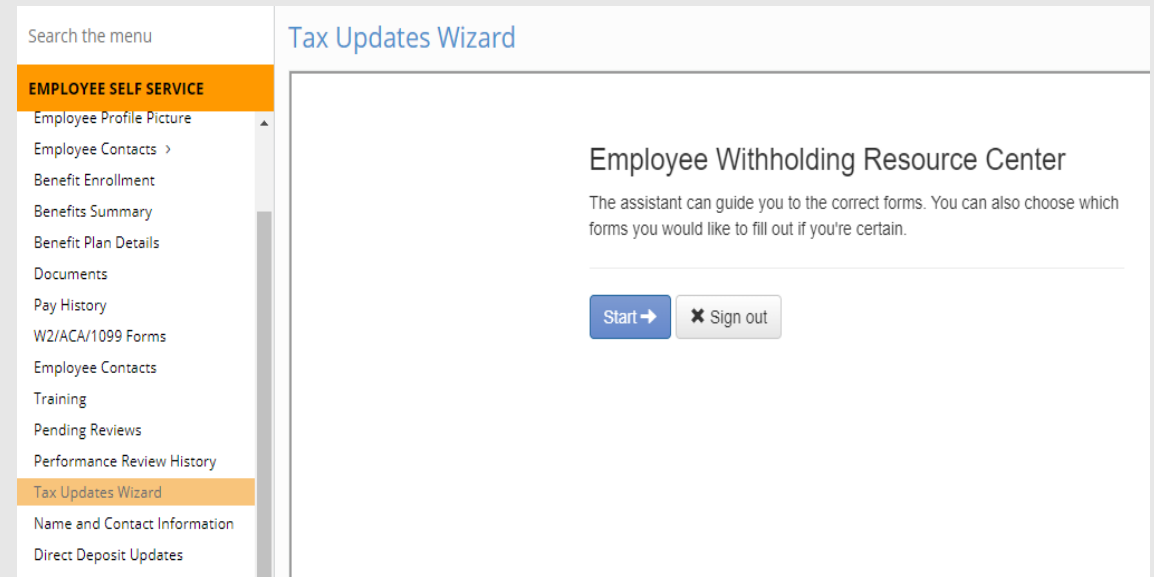
# QUESTIONS?

SEND TO TRAINING@DOMINIONPAYROLL.COM

Next Up – Tax Updates Wizard

# Tax Updates Wizard

- The Tax Updates Wizard in iSolved will guide employees through the creation of the new Form W-4
- \*The IRS recommends employees re-evaluate their tax withholdings every year
- To begin the tax update/change process the employee should navigate **to Employee Self Service > Tax Updates Wizard**





To use iSolved to determine withholding, choose the following

### Tax Updates Wizard

#### Federal

- Help me determine which withholding forms apply to me
- I want to skip this section

#### Virginia Resident

- Help me determine which withholding forms apply to me
- I want to skip this section

[← Back](#) [Continue →](#)

# Chose one and click next

## Tax Updates Wizard

 Check my progress

Survey 

### Choose one:

- Foreign Earned Income Exclusion — I expect to qualify for the foreign earned income exclusion under either the bona fide residence or physical presence test for calendar year or other tax year
- Nonresident Alien — I am exempt from withholding on compensation for independent (or eligible dependent) personal services of a Nonresident Alien Individual [Instructions for Form 8233](#)
- Quiero continuar en Español
- I want to continue in English

 Back

Next 

# Click Start

## Tax Updates Wizard

 Check my progress

Summary 

Based on answers you provided, we have determined the following **Federal** withholding form(s) may apply to you.

	Locality	Name	Title	Status
<a href="#">Start</a>	Federal	W-4	Employee's Withholding Certificate	<b>Not completed</b>

 Back

# Choose one and click next

**Tax Updates Wizard**

★ Wizard    ⓘ Form and Instructions

ⓘ Check my progress

Nonresident Alien ▶

**Are you a nonresident alien?**

Yes

No

Selecting **Yes** will result in selecting a marital status of **Single** regardless of actual marital status. See [Notice 1392](#) for more details.

**Notice:** Nonresident aliens may be exempt from wage withholding on part or all of their compensation for dependent personal services under an income tax treaty. If you are claiming a tax treaty withholding exemption, do not complete Form W-4. Instead, complete Form 8233, Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, and give it to each withholding agent from whom amounts will be received.

Note: There is an access tab available throughout the entire process for the IRS form W-4 and instructions if needed

# Select One and Click Next

**Tax Updates Wizard**

★ Wizard    ⓘ Form and Instructions

ⓘ Check my progress

Nonresident Alien ▶

Filing Status ▶

Exemption ▶

**Select one**

I want to file this form

I am exempt from 2020 withholding

To be exempt, you must meet the following requirements:

- For 2019, you had no federal income tax liability; **AND**
- For 2020, you expect to have no federal income tax liability.

◀ Back    **Next ▶**

# Determine your filing status

**Tax Updates Wizard**

★ Wizard    ⓘ Form and Instructions

ⓘ Check my progress

Nonresident Alien ▶

**Filing Status ▶**

**Select a filing status**

Single or Married filing separately

Married Filing Jointly

Head of Household

◀ Back    Next ▶

This also applies to a qualifying widow(er)

Note: New Head of Household Status – for employees that are unmarried and pay more than half the cost of keeping up a home for themselves and a qualifying individual

As incomes rises, tax rates increase. If an employee holds more than one job at a time or is married filing jointly and their spouse works, these choices will help determine the correct amount of withholding

**Tax Updates Wizard**

★ Wizard    ⓘ Form and Instructions

ⓘ Check my progress

Nonresident Alien ▶

Exemption ▶

Filing Status ▶

Step 2 Survey ▶

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.

**Choose one**

I want to use the worksheet to calculate roughly accurate withholding

There are only two jobs total. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld.

None of the above

◀ Back    Next ▶

This choice helps you navigate the Multiple Job Worksheet and calculations to arrive at a roughly accurate withholding. (same calculations as the paper W4 Form 2020)

This choice is for situations where there are only two jobs total and the jobs are of similar pay. If both the employee and their spouse work, that would be considered two jobs total.

This choice is for employees with only one job

# Accounting for dependents

If you select yes, you will be redirected to this page

Tax Updates Wizard

★ Wizard    ⓘ Form and Instructions

ⓘ Check my progress

Nonresident Alien ▶

Filing Status ▶

Exemption ▶

Step 2 Survey ▶

Dependents survey - Step 3 ▶

Would like to claim any dependents?

Yes

No

To qualify for the child tax credit, the child must:

- be under age 17 as of December 31 **AND**
- be your dependent who lives with you for more than half the year **AND**
- have a valid social security number

You also can include **other tax credits**, such as education tax credits and the foreign tax credit.

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Tax Updates Wizard

★ Wizard    ⓘ Form and Instructions

ⓘ Check my progress

Nonresident Alien ▶

Exemption ▶

Filing Status ▶

Step 2 Survey ▶

Dependents survey - Step 3 ▶

Step 3 ▶

Number of dependents under the age of 17

Number of other dependents

Other tax credits (such as education tax credits and the foreign tax credit)

\$

◀ Back    Next ▶



## Tax Updates Wizard

★ Wizard ⓘ Form and Instructions

ⓘ Check my progress

Nonresident Alien ▶

Filing Status ▶

Exemption ▶

Step 2 Survey ▶

Dependents survey - Step 3 ▶

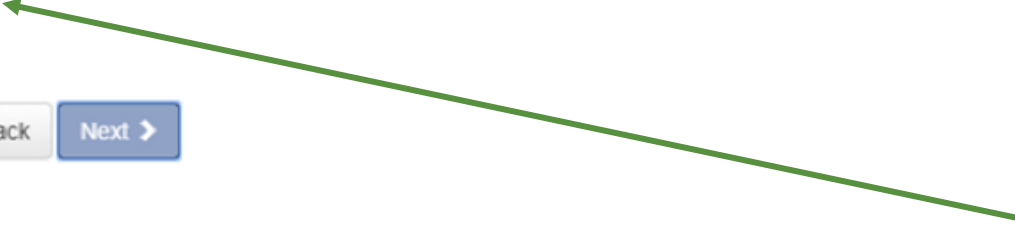
Other Adjustments Survey (Optional) - Step 4 ▶

Would you like to complete step 4 (Other Adjustments) for other income, deductions, and extra withholding?

Yes

No

◀ Back Next ▶



# Additional Adjustments

If an employee wants additional tax withheld from other income (other than jobs) like interest or dividends or deductions other than the standard deductions, they should select yes and they will be redirected

# Additional Deductions

Tax Updates Wizard

Home Main Menu

Federal — Employee's Withholding Certificate — W-4

Wizard Form and Instructions

Check my progress

- Nonresident Alien
- Exemption
- Filing Status
- Step 2 Survey
- Dependents survey - Step 3
- Other Adjustments Survey (Optional) - Step 4
- Step 4

4a. If you want tax withheld for other income you expect this year that will not have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income.

\$

4b. Select one

I expect to claim deductions other than the standard deduction and want to reduce your withholding

I will claim the standard deduction

Enter in this step any additional tax you want withheld from your pay each pay period, including any amounts from the Multiple Jobs Worksheet, line 4. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.

4c. Enter any additional amount you want withheld each pay period

\$

Back Next

To have tax withheld to cover additional income that doesn't have withholding, enter the amount of that income here

Additional deductions such as home mortgage interest, charitable contributions, state and local taxes, student loan interest, IRA contributions and/or other adjustments are recorded here. Click to be redirected to the deduction worksheet.

Self determined additional amount to be withheld

# Deductions Worksheet

Tax Information

Check my progress

- Nonresident Alien
- Filing Status
- Exemption
- Step 2 Survey
- Dependents survey - Step 3
- Step 3
- Other Adjustments Survey (Optional) - Step 4
- Step 4
- Deductions Worksheet**

1. Enter an estimate of your 2020 itemized deductions. Such deductions may include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 7.5% of your income.

\$

2. Select one

-Select-

- \$24,000 if you're married filing jointly or qualifying widow(er)
- \$18,600 if you're head of household
- \$12,400 if you're single or married filing separately

3. If line 1 is greater than line 2, subtract line 2 from line 1. If line 2 is greater than line 1, enter "0".

\$ 0

Note: This is a computed value.

4. Enter an estimate of your student loan interest, IRA, contributions, and certain other adjustments (from Part II of Schedule 1 (Form 1040 or 1040-SR)). See Pub. 505 for more information.

\$

5. Add line 3 and 4. Enter the result here and on line 4b of Form W-4.

\$ 0

Note: This is a computed value.

< Back Next >

Additional deductions must exceed the standard deduction based on the filing status to be able to actually claim any additional deductions

This box is for student loan interest, IRA contributions, and certain other adjustments

# Electronic Signature Page

## Tax Updates Wizard

★ Wizard

Form and Instructions

Please review the document below

If you would like to make any changes, you may [return to the previous page](#).

If you would like to submit this form, please agree to the terms below.

Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

Please verify the accuracy of your tax forms and electronically sign the documents by entering a PIN.  
Your PIN is the last four digits of your SSN.

✓ Submit Form

Below the green submit form button is the new IRS Form W-4 filled in for review

This is the electronic signature page. Complete and submit form. The updated form can be accessed under documents - payroll



# QUESTIONS

Send to [Training@dominionpayroll.com](mailto:Training@dominionpayroll.com)