

## ***W-4 Talking Points – What's Changing for 2020***

*Please keep in mind that this document is intended to simplify the new form requirements, it does not serve as official tax guidance or legal advice. Employees should refer to their tax professional and official IRS guidance for any clarity needed regarding the new form.*

1. **Why is the IRS changing the Form W-4?** The IRS is redesigning the Form W-4 to meet the requirements of the 2018 tax law changes.
2. **When is the new redesigned W-4 effective?** January 1, 2020.
3. **Do all employees have to complete a new W-4 in January?** No. Current employees with a W-4 on file do not have to complete a new W-4 in January. However, there are some exceptions:
  - a. If an employee claims exemption from withholding, they will have to file a new W-4, using the new 2020 W-4, prior to February 15, 2020.
  - b. Employees hired in 2019, that did not complete a 2019 W-4 prior to December 28, 2019, will have to complete a W-4 using the new 2020 W-4.
  - c. Employees hired in 2020 must use the new 2020 W-4.
4. **If an employee wants to change their marital status, fixed additional withholding or the number of allowances or make any other changes to their W-4, do they have to wait until January to update their elections?** No. Employees who need to update their marital status, fixed additional withholding or exemptions can continue to use the current W-4 through December 27, 2019. However, employees wishing to change their W-4 must use the new 2020 W-4 after this date.
5. **Are there changes to the Filing Status elections?** Yes. Starting with 2020, you now have an additional option of head of household for employees meeting the head of household requirements.
6. **What is the Multi-Income indicator, and should employees select it?**
  - a. Completion of this field is optional.
  - b. The Multi-Income indicator is a way for employees to have taxes for more than one job deducted from their state salary.
  - c. This field is applicable if the employee works multiple jobs or if the employee's spouse works.
  - d. This field should only be used if the salary for the jobs are similar.
  - e. Selecting this indicator will result in additional taxes being taken from the employee's salary.
  - f. Before selecting this indicator, employees should use the Tax Withholding Estimator available on [www.IRS.Gov](http://www.IRS.Gov) to determine if selecting this indicator is the right option for them.

7. **Are there changes to the number of allowances?** Yes. Starting with 2020, the number of allowances is no longer on the official Form W-4. Instead, employees are required to enter a dollar amount for the dependents they are claiming. The amounts are \$2,000 for each eligible dependent under 17 and \$500 each for all other eligible dependents.
8. **What is the Other Income field and what should employees enter in this field?**
  - a. Completion of this field is optional.
  - b. If an employee wants withholding taxes taken for other, non-employment related income, then enter the amount of other income expected.
  - c. Other income is income from sources such as interest, dividends, retirement, etc., that are not directly tied to current employment.
9. **What is the Deduction Amount field and what should employees enter in this field?**
  - a. The deduction amount field is only applicable if the employee expects to claim deductions other than the standard deduction. This includes itemized and other deductions, such as student loan interest.
  - b. Employees should use the Deductions Worksheet in the IRS Form W-4 instructions available at [www.IRS.Gov](http://www.IRS.Gov) before entering an amount in this field.
10. **Can employees still include an additional fixed withholding amount?** Yes. The Additional Tax Amount is still available and is optional.
11. **Can eligible employees still claim exemption from withholding taxes?** Yes. The same requirements are still applicable to claim exemption from withholding. Employees should consult a tax professional before claiming exemption from withholding as the employee may be subject to penalties from the IRS if they inappropriately claim exemption from withholding.
12. **Where can employees find additional information about the new W-4?** Additional information can be found in the IRS frequently asked questions document, which is available at: <https://www.irs.gov/newsroom/faqs-on-the-2020-form-w-4>