

## **2020 Form W-4, *Employee's Withholding Certificate***

On Dec. 5, the IRS released 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. The IRS has 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.

It is also important to note the following:

- If a newly hired employee in 2020 does not complete a 2020 Form W-4, the employer instructions state that employers should treat them as a single filer with no other adjustments.
- If an employee only completes step 1 and 5, the employer is instructed to withhold based on the identified withholding status with no other adjustments.

As before, employees' tax liability is based on combined income from all sources, including second jobs, investment income and a spouse's earnings. Additional tax may be due at the time of filing if withholding is not sufficient to meet tax obligation, thus employees may want to make adjustments to reflect these additional incomes, deductions and credits.

We encourage all employees to meet with their tax advisor to better understand the changes.

All new hires who begin on January 1, 2020 and later must use the updated W4 Form which can be found here: <https://www.irs.gov/pub/irs-pdf/fw4.pdf>.

The form has been finalized:

<https://www.irs.gov/pub/irs-pdf/fw4.pdf>

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