

## Updated W-4

Modified on: Mon, 27 Dec, 2021 at 10:57 AM

### Synopsis:

The 2020 W-4 has undergone several changes. This document will show you how to properly set up employees with the new W-4 settings. For reference, here is a screenshot of the revised sections of the 2020 W-4:

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|                                                                           |                                                                                                                                                                                                                                                                                                                              |           |                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Form <b>W-4</b><br>Department of the Treasury<br>Internal Revenue Service | <b>Employee's Withholding Certificate</b><br>▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.<br>▶ Give Form W-4 to your employer.<br>▶ Your withholding is subject to review by the IRS.                                                                                |           | OMB No. 1545-0074<br><br><b>2020</b>                                                                                                                                                                                                    |
| <b>Step 1:</b><br><b>Enter Personal Information</b>                       | (a) First name and middle initial                                                                                                                                                                                                                                                                                            | Last name | (b) Social security number<br><br>▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to <a href="http://www.ssa.gov">www.ssa.gov</a> . |
|                                                                           | Address                                                                                                                                                                                                                                                                                                                      |           |                                                                                                                                                                                                                                         |
|                                                                           | City or town, state, and ZIP code                                                                                                                                                                                                                                                                                            |           |                                                                                                                                                                                                                                         |
|                                                                           | (c) <input type="checkbox"/> Single or Married filing separately<br><input type="checkbox"/> Married filing jointly (or Qualifying widow(er))<br><input type="checkbox"/> 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.) |           |                                                                                                                                                                                                                                         |

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.

**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.

Complete Steps 3–4(b) on Form W-4 for only **ONE** of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

|                                                       |                                                                                                                                                                                                                                                   |             |    |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----|
| <b>Step 3:</b><br><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 \$2,000 ▶ \$                                                                                                                                                                           |             |    |
|                                                       | Multiply the number of other dependents by \$500 . . . ▶ \$                                                                                                                                                                                       |             |    |
|                                                       | Add the amounts above and enter the total here . . . . .                                                                                                                                                                                          | <b>3</b>    | \$ |
| <b>Step 4 (optional):</b><br><b>Other Adjustments</b> | (a) <b>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> | \$ |
|                                                       | (c) <b>Extra withholding.</b> Enter any additional tax you want withheld each pay period . . . . .                                                                                                                                                | <b>4(c)</b> | \$ |

SETUP UPDATED W-4 IN PAYROLL SETUP TABLE

1. Go to 'Payroll Setup Table'
2. Scroll down to 'US Setup'
3. Set 'Use Updated W-4' to True

## Payroll Setup

[Get Tax Settings](#) [Additional Setup](#) | [Actions](#) [Navigate](#) [Fewer options](#)

### ACH Setup >

### US Setup

|                                                     |                                                    |
|-----------------------------------------------------|----------------------------------------------------|
| Use Updated W-4 <input checked="" type="checkbox"/> | Allow Multiple States ... <input type="checkbox"/> |
| Use Fed WH By Effect... <input type="checkbox"/>    | Advanced Local Tax T... <input type="checkbox"/>   |
| Use State WH By Effe... <input type="checkbox"/>    |                                                    |

#### NOTE:

*This setting will turn on the Updated W-4 for all new employees. However, existing employees will have 'Use Updated W-4' Set to False. You will need to Set 'Use Updated W-4' to True in the Federal Withholding tab of the employee card for existing employees if they submit a new W4 form.*

### SET 'FEDERAL WITHHOLDING INFORMATION' ON EMPLOYEE CARD

1. Apply the correct 'Payroll Tax Marital Status'.

This setting is critical since the payroll calculations are driven by this setting. As you can see the new 'Head of Household' status is available.

## Federal Withholding Information

|                         |                                          |                       |                                     |
|-------------------------|------------------------------------------|-----------------------|-------------------------------------|
| Payroll Tax Marital ... | Single or Married Filing Se ▾            | Additional Withhol... | 0.00                                |
| Use Updated W-4 ...     | Single or Married Filing Separately      | Additional Withhol... | 0.00                                |
| Multiple Jobs or Sp...  | Married Filing Jointly                   | Exempt from Fed T...  | <input checked="" type="checkbox"/> |
| Withholding Certifi...  | Head of Household                        | Lock-in Letter        | <input checked="" type="checkbox"/> |
| Withholding Allow...    | <a href="#">Edit Withholding Setup..</a> | Bonus Withholding...  | 0.00                                |

**NOTE:**

If you are upgrading to the newest app version 15.4.0.0, the settings in the 'Personal' tab of the Employee Card can impact the Payroll Tax Marital Status field. The screenshot below is from the 'Personal' tab. Prior to upgrading, if the 'Marital Status' in the Personal Tab is 'Single' or 'Married Filing Sep.' then the Payroll Tax Marital Status will be set to 'Single or Married Filing Separately'. If the Status in the 'Personal Tab' is set to 'Married' then the Payroll Tax Marital Status will be set to 'Married Filing Jointly'. There is no 'Head of Household' option in the personal tab so please check your employee's Payroll Tax Marital Status after upgrading.

## Personal

[Show more](#)

|                     |                                          |            |                      |
|---------------------|------------------------------------------|------------|----------------------|
| Gender              | <input type="text"/>                     | Ethnicity  | <input type="text"/> |
| Birth Date          | 1/1/1970                                 | Veteran    | <input type="text"/> |
| Social Security No. | 999-99-9910                              | Disability | <input type="text"/> |
| Marital Status      | Single                                   | Dependents | 0                    |
|                     | Single<br>Married<br>Married Filing Sep. |            |                      |

2. Set 'Use Updated W-4' to True.

If you do not set it to true, you cannot access the 'Withholding Certificate'

## Federal Withholding Information

|                         |                                          |                       |                          |
|-------------------------|------------------------------------------|-----------------------|--------------------------|
| Payroll Tax Marital ... | Single or Married Filing Se              | Additional Withhol... | 0.00                     |
| Use Updated W-4         | <input checked="" type="checkbox"/>      | Additional Withhol... | 0.00                     |
| Multiple Jobs or Sp...  | <input type="checkbox"/>                 | Exempt from Fed T...  | <input type="checkbox"/> |
| Withholding Certifi...  | <a href="#">Edit Withholding Setup..</a> | Lock-in Letter        | <input type="checkbox"/> |
| Withholding Allow...    | 0                                        | Bonus Withholding...  | 0.00                     |

3. Set 'Multiple Jobs or Spouse Works' to True or False – this corresponds to the check box in Step 2 of the new W4 form

### Federal Withholding Information

|                         |                                          |                       |                          |
|-------------------------|------------------------------------------|-----------------------|--------------------------|
| Payroll Tax Marital ... | Single or Married Filing Se ▼            | Additional Withhol... | 0.00                     |
| Use Updated W-4 ...     | <input checked="" type="checkbox"/>      | Additional Withhol... | 0.00                     |
| Multiple Jobs or Sp...  | <input type="checkbox"/>                 | Exempt from Fed T...  | <input type="checkbox"/> |
| Withholding Certifi...  | <a href="#">Edit Withholding Setup..</a> | Lock-in Letter .....  | <input type="checkbox"/> |
| Withholding Allow...    | 0                                        | Bonus Withholding...  | 0.00                     |

### 4. Withholding Certificate Setup

- Click 'Edit Withholding Setup' to open the 'Edit-Withholding Certificate Setup'

### Federal Withholding Information

|                         |                                          |                       |                          |
|-------------------------|------------------------------------------|-----------------------|--------------------------|
| Payroll Tax Marital ... | Single or Married Filing Se ▼            | Additional Withhol... | 0.00                     |
| Use Updated W-4 ...     | <input checked="" type="checkbox"/>      | Additional Withhol... | 0.00                     |
| Multiple Jobs or Sp...  | <input type="checkbox"/>                 | Exempt from Fed T...  | <input type="checkbox"/> |
| Withholding Certifi...  | <a href="#">Edit Withholding Setup..</a> | Lock-in Letter .....  | <input type="checkbox"/> |
| Withholding Allow...    | 0                                        | Bonus Withholding...  | 0.00                     |

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Search + New Edit List Delete Open in Excel

EDIT - WITHHOLDING CERTIFICATE SETUP

| Section / Line ↑ | Description                    | Amount   |
|------------------|--------------------------------|----------|
| → STEP 3         | Claim Dependents               | 500.00   |
| STEP 4A          | Other Adj. - Other Income      | 5,000.00 |
| STEP 4B          | Other Adj. - Deductions        | 2,000.00 |
| STEP 4C          | Other Adj. - Extra Withholding | 500.00   |
|                  |                                |          |

Close

- The 'Edit-Withholding Certificate Setup' is designed to mirror the terminology in Steps 3 and Steps 4a – 4c of the updated W-4. Simply enter the amounts that are on the W-4 in this table as positive numbers. Primo Payday will take care of the calculations in the background.

### NOTE ON 'EXEMPT FROM FED WH' OPTION:

If you set 'Exempt from Fed Tax WH' to True (as shown below) the system will exclude any tax setups from the 'Withholding Certificate' and will only withhold amounts that are in the 'Additional Withholding Amount' field.

#### Federal Withholding Information

Payroll Tax Marital ... Single or Married Filing Se ▼

Use Updated W-4 ☒

Multiple Jobs or Sp... ☐

Withholding Certifi... [Edit Withholding Setup..](#)

Withholding Allow... 0

Additional Withhol... 0.00

Additional Withhol... 0.00

Exempt from Fed T... ☒

Lock-in Letter ☐

Bonus Withholding... 0.00

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