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IRS releases draft Form W-4 for 2020, provides FAQs

The IRS today released a new draft version of Form W-4, Employee's Withholding Allowance Certificate, for 2020.

An IRS release—[IR-2019-98](#)—reports that the revised Form W-4 is intended to implement changes made by the 2017 tax law (Pub. L. No. 115-97) (the law that is often referred to as the “Tax Cuts and Jobs Act” (TCJA)).

[Draft Form W-4](#) [PDF 154 KB] has a “watermark” date of May 30, 2019, and includes cautionary language that it is not to be used for filing purposes, and is subject to change and to OMB approval before being officially released.

Employees who have submitted a Form W-4 in any year before 2020 are not required to submit a new form, and employers will continue to compute withholding based on the information from the employee's most recently submitted Form W-4, according to today's releases. Specifically, a list of [“frequently asked questions” \(FAQs\)](#) about the redesigned Form W-4 provides:

3. Are all employees required to submit a new Form W-4?

No. Employees who have submitted Form W-4 in any year before 2020 are not required to submit a new form merely because of the redesign. Employers will continue to compute withholding based on the information from the employee's most recently submitted Form W-4.

FAQs that specifically address topics or issues for employers provide:

15. Does this mean our software will need two systems—one for forms submitted before 2020 and another for forms submitted after 2019?

Not necessarily. The same set of withholding tables will be used for both sets of forms. You can apply these tables separately to systems for new and old forms. Or, rather than having two separate systems, you may prefer to use a single system based on the redesigned form. To do this, you could enter zero or leave blank information for old forms for the data fields that capture the information on the redesigned form but was not provided to you under the old

design. Additional guidance will be provided on the payroll calculations needed based on the data fields on the new and old forms.

16. How do I treat employees hired after 2019 who do not submit a Form W-4?

New employees who fail to submit a Form W-4 after 2019 will be treated as a single filer with no other adjustments. This means that a single filer's standard deduction with no other entries will be taken into account in determining withholding. The IRS and the Treasury Department anticipate issuing guidance consistent with this approach.

17. Are employees hired after 2019 required to use the redesigned form?

Yes. Beginning in 2020, all new employees must use the redesigned form. Similarly, any employees hired prior to 2020 who wish to adjust their withholding must use the redesigned form.

18. What about employees hired prior to 2020 who want to adjust withholding from their pay dated January 1, 2020, or later?

Employees must use the redesigned form.

19. May I ask all of my employees hired before 2020 to submit new Forms W-4 using the redesigned version of the form?

Yes. You may ask, but as part of the request you should explain that:

1. they are not required to submit new Form W-4 and
2. if they do not submit a new Form W-4, withholding will continue based on a valid form previously submitted.

For those employees who furnished forms before 2020 and who do not furnish a new one after 2019, you must continue to withhold based on the forms previously submitted. You are not permitted to treat employees as failing to furnish Forms W-4 if they don't furnish a new Form W-4. Note that special rules apply to Forms W-4 claiming exemption from withholding.

20. Will there still be an adjustment for nonresident aliens?

Yes. The IRS will provide instructions in the 2020 Publication 15-T, Federal Income Tax Withholding Methods on the additional amounts that should be added to wages to determine withholding for nonresident aliens. Additionally, nonresident alien employees should continue to follow the special instructions in Notice 1392 when completing their Forms W-4.

The Treasury Department also issued a [release](#) about the redesigned Form W-4.

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