



NEW 2020 W-4 FORM NO MORE WITHHOLDING ALLOWANCES!

What is the new W-4 form?

The new IRS W-4 complements the changes to the tax law that took effect in 2018. This new design aims to simplify the process of filling out Form W-4 for employees and improve tax withholding accuracy.

New IRS W-4 form vs. old: What's the difference?

The new W-4 form has done away with [withholding allowances](#). Employees can **no longer claim withholding allowances**. In the past, employees could claim withholding allowances to lower the amount of federal income tax withheld from their wages. The more withholding allowances an employee claimed, the less you would withhold in federal income tax.

Not anymore. Employees **do not have the option** to claim withholding allowances. Instead, they can claim dependents or use the deductions worksheet to lower the amount of taxes withheld.

What is the purpose of the redesign?

The purpose of the new IRS W-4 form is to better match the changes to the Tax Cuts and Jobs Act. The new form supports the changes that were made to the withholding table brackets.

Another reason for the redesigned form is ease-of-use. The IRS hopes that the new form will be easier for employees (and employers) to understand. And, the form is supposed to boost tax withholding accuracy.

Are withholding allowances gone?

Yes, withholding allowances are gone. Employees filling out the 2020 Form W-4 can no longer claim withholding allowances.

What happens if a new hire doesn't fill out the form?

Standard withholding rates will be applied for new hires who do not fill out the new form as single filers with no other adjustments.

Are there resources available for assistance in completing the W-4?

- The IRS's [tax withholding estimator](#), or calculator, helps determine tax liabilities before filling out withholding forms. To increase the accuracy of the new form, the IRS encourages employees to use the tax withholding estimator. Employees can use this by gathering recent pay statements and last year's income tax return.
- [Worksheets](#) are included with the W-4 available on the BMCC website.

Contact your Tax Professional if you are in need of additional assistance