How to use 2020 Form W-4 for BusinessWorks v2011 (and older)

IRS 2020 Form W-4 is significantly different than prior W-4 forms in that it:

- No longer uses allowances, but uses deductions instead
- Provides a worksheet to adjust withholdings based on deductions
- Provides a worksheet to adjust withholdings based on holding multiple jobs at the same time, and/or married filing jointly and the spouse also earns wages

BusinessWorks v2011 (and older) does not have the ability to record 2020 Form W-4 information, so some accommodations are needed to provide BusinessWorks this information in order for it to accurately calculate payroll withholdings. With the employee:

- 1) Using the employee's 2020 Form W-4 information and worksheets, complete Worksheet 1 from Page 5 in IRS Publication 15-T (can also be found on the next page)
- 2) Use the number of qualifying children they claim in Step 3 for Federal Allowances in their Employee Status in BusinessWorks (see image below)
- 3) Use the amount on Line 4(b) from Worksheet 1 as Extra Withholding in their Employee Status in BusinessWorks (see image below)
- 4) Run a sample payroll for the employee to print a Payroll Register. If the amount withheld for Federal Withholding Tax (FWT) does not equal (or nearly equal) the amount on Line 4(b) from Worksheet 1, adjust their allowances (higher = lower withholding), and/or their Extra Withholding amount in their Employee Status in BusinessWorks (see image below) until the FWT equals or is close to the amount from Line 4(b).

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Federal Filing status Married FWT exempt OASDI exempt Medicare exempt	Filing status	Illinois Married SWT exempt SDI exempt SUI exempt SUI exempt				
Allowances 0 EIC status Not used	Allowances Extra allowances	0		,		
Extra W/H amount 0.00	Exemption amount Extra W/H amount	0.00				
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Contact FLI Support if you need assistance

1. Percentage Method Tables for Automated Payroll Systems

to figure federal income tax withholding. This method works for Forms W-4 from 2019 or earlier and Forms W-4 from 2020 or later. This method also works for any amount of wages. If the Form W-4 is from 2019 or ealier, this method works for any number of withholding allowances claimed.

If you have an automated payroll system, use the work-sheet below and the Percentage Method tables that follow

Tal	ble 3	Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekty	Daily	1	
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Step 1.	18	Enter the employe	ee's wage am yee's total tax	ount ible wages thi	s payroll period				5	
	1b	Enter the number	er of pay perior	ts you have p	er year (see Table	3)		1b		
	10	Multiply the amo	ount on line 1a	by the number	r on line 1b			10	\$	
If the	empl	oyee HAS submit	tted a Form W	4 for 2020 or	later, figure the Ad	ljusted Annual	Wage Amount a	is follows:		
	10	Enter the amount	nt from Step 4(a) of the empi	oyee's Form W-4			1d	\$	
	16	Add lines 1c and	d 1d					1e	\$	
	11	Enter the amoun	nt from Step 4(b) of the empl	oyee's Form W-4				s	
	10	If the box in Step	p 2 of Form W-	4 is checked.	enter -0 If the bo	x is not checke	d, enter \$12,90	0 if the	-	
	12	taxpayer is man	ted filing jointh	or \$8,600 of	nerwise	*********			5	
	th	Add lines 11 and	11g				1.1.0.1.0.1.0.0.0.0.0	1h	<u>\$</u>	
	- 11	Subtract line 1h Wage Amount	from line Te. I	zero or less,	enter -0 This is #	e Adjusted A	nnual		5	
if the	omni	NOT S	ubmitted a Fo	m W-4 for 20	20 or later figure t	he Arliustert Ar	wal Wage Ame	ount as follows	8	
	11	Enter the number	er of allowance	s claimed on	the employee's ma	ost recent Form	1W-4	1		
	1k	Multiply line 1i b	v \$4,300		1				s	
	11	Subtract line 1k	from line 1c. If	zero or less, e	onter -0 This is th	e Adjusted Ar	nnual	19		
		Wage Amount	*********	********	*********		********	W	<u>a</u>	
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