



COMPLIANCE BULLETIN

HIGHLIGHTS

- The new form will prompt employees to declare whether they have multiple sources of income (two jobs, two-earner households).
- New employees who fail to submit a Form W-4 after 2019 will be treated as a single filer with no other adjustments.
- The new form uses a five-step process. Only steps 1 and 5 are mandatory.

IMPORTANT DATES

January 1, 2020

Employees must begin using the redesigned Form W-4 to declare tax withholdings.

Provided By:

Coordinated Benefits Group

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IRS Issues 2020 Form W-4

OVERVIEW

On Dec. 5, 2019, the Internal Revenue Service released an updated version of its [W-4 form](#), also known as the “[Employee’s Withholding Certificate](#).”

Employers use IRS Form W-4 to determine each employee’s federal tax withholdings. The new form is intended to harmonize tax withholding declarations with the [Tax Cuts and Jobs Act](#), which affected individuals for the first time during the last tax filing season.

Employees may complete a new W-4 each year or each time they experience a change in their personal financial situation. However, the new form does not invalidate prior versions, and employers are not expected to replace W-4 forms from previous years with the 2020 version.

ACTION STEPS

Employers should become familiar with the updates to IRS Form W-4 and make it available for all new hires and employees who wish to amend their withholding declarations in 2020.

Please note that employers are not required to update W-4 forms that were completed and filed on or before 2019.



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