

## **W-4 Calculator Users Manual**

The W-4 Calculator, W4CSI, is intended to help employees consider their options with the new Form W-4 for 2020. Should you fill out a new W-4 or leave the existing one in place? What is the impact of completing the various steps? This manual shows how to use the calculator to assist in answering questions of this type.

The calculator does this by showing the effect on your FIT withholding as you change your options. It accomplishes this using the directions from two of the IRS's publications. Modeled after the Form W-4 for 2020 it asks for the same financial information. The calculator has the worksheet calculations and tables from the form built in. You enter your values and it does the calculations. It constantly displays your expected payroll FIT withholding at the bottom of the screen as you make changes.

The expected FIT withholding is computed using the directions for Worksheet 1, the Employer's Withholding Worksheet, from Publication 15-T for 2020. Both this publication and the Form W-4 are available online for review. If you have exceptional circumstances, review those publications and determine if this calculator's results apply to you.

The calculator has four entry screens, labeled Step 1 through Step 4, corresponding to the four steps of the Form W-4. You can move through them using the tabs at the top or by swiping vertically. You do not have to complete or change them in any order. The Withholding amount at the bottom should update with any change you make if appropriate.

The two outputs, W-4 Info and Worksheet can be viewed anytime during data entry. The four entry steps will be addressed next in order.

## Step 1

W-4 Calculator Version 1.0

Step 1 Step 2 Step 3 Step 4

W-4 Step 1

Personal (not on W-4)

Pay Period	Hourly Pay	Hours per Pay	Annual Salary
Biweekly	15.00	80	31,200

If W-4 is earlier than 2020 check

# Allowances on W-4 0

Personal

(c) Single/Married Filing Separately

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The top two sections of step 1 are not on the Form W-4. The top section, the wages section, is where you input the wages for your main job. (Step 2 deals with multiple jobs.) The calculator is estimating the FIT withholding for your main job.

You must select your Pay Period correctly. How often do you get paid, weekly, biweekly, etc? This choice is used in several places in the four steps. Next, you can enter your annual wages in either of two ways. You can just enter your annual wages in the Annual Salary field. Or you can enter your hourly pay and the number of hours you work in one pay period. Then the calculator will compute your annual salary.

The second section of step 1 is used if you want to see your FIT withholding using a Form W-4 from a previous year. Previous to 2020, only two pieces of information are supplied on the Form W-4. For a previous Form W-4 check the checkbox and enter the number of allowances claimed on that form. The withholding for 2020 based on that previous year's form and this year's tax tables is displayed at the bottom. If you had an additional amount withheld on that form, go to Step 4 and enter the amount in the bottom section, Xtra withholding. The FIT withholding, and the worksheet, should be showing what will happen this year if you use the older form. You can note the amount, then uncheck the checkbox in Step 1 and continue to see what effect a new Form W-4 will have.

The last section of Step 1, Personal, is the only part from the new Form W-4. Note that this year has an additional option, Head of Household. See the description on the form to see if it applies to you. At any point you can change this option to see what effect it has. (Make sure you unchecked the checkbox above.)

If you only complete Step 1 on the Form W-4, the W-4 Info button will reflect your choices and the Worksheet button will show how your withholding will be computed. You may want to experiment with the other steps to see if they benefit you. You can undo any of them.

## Step 2

W-4 Calculator Version 1.0

Step 1
Step 2
Step 3
Step 4

W-4 Step 2

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**2(b) Multiple Jobs Worksheet**

Second Job

Pay Period			Pay			Hours			Lower Paying Wage	
Weekly	⌵	-	10.00	+	-	20	+	-	10,400	+
									<b>1 \$</b>	<b>2060</b>

Third Job

Pay Period			Pay			Hours			Second Lower Paying Wage	
Weekly	⌵	-	10.00	+	-	10	+	-	5,200	+
									<b>2a \$</b>	<b>2060</b>
									<b>2b \$</b>	<b>1870</b>
									<b>2c \$</b>	<b>3930</b>
									<b>3</b>	<b>26</b>
									<b>4 \$</b>	<b>151</b>

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**2(c) [two jobs option checkbox]**

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W-4 Info
Withholding 230.17
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Annual 5984.50
Worksheet
Quit

Step 2 is used if you are reporting income from two or more jobs. If not, go to Step 3. In this step there are 3 options for estimating withholding for multiple jobs. You should consider all three,

The first option, (a), is to use the online estimator from the IRS. It is the most complex but most accurate estimator.

If your situation does not warrant using option (a), you can use either (b) or (c). Option (c) is the simplest but recommended only if there are only two jobs of similar pay. To use option (c) just check the checkbox in the bottom section.

Option (b) uses a worksheet on the Form W-4. On the Step 2 screen the worksheet is built in. You simply input the wages for the second and third, if needed, jobs. Again, the wages can be input as annual wages or as periods, pay per hour and hours per period. The calculator will compute the adjustment in withholding. Here option (b) is almost as easy as option(c) but more accurate where the jobs are not of similar pay or there are three jobs.

There is an additional option with the calculator if you do not want to show multiple jobs to your employer on your Form W-4. Use this procedure. Complete the entire four steps using whichever option here in Step 2 is most accurate. Then note the final withholding amount at the bottom. Then come back to Step 2 and remove anything entered in section 2(b) or uncheck the checkbox in 2(c). Then use the last entry, Xtra withholding, in Step 4 to adjust the final withholding amount back to what it was before clearing Step 2. Then you will be withholding for multiple jobs without showing it.

### Step 3

W-4 Calculator Version 1.0

Step 1   Step 2   **Step 3**   Step 4

W-4 Step 3

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Dependents

# dependents	\$ dependents
<input type="text" value="2"/>	<input type="text" value="4,000"/>

  

# other	\$ other
<input type="text" value="1"/>	<input type="text" value="500"/>

**3 \$      4500**

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This is an easy step to complete. Use the + and – buttons to enter how many qualifying children and other dependents you have. The needed multiplications will be done.

## Step 4

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Step 1      Step 2      Step 3      Step 4

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W-4 Step 4

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**Adjustments**

**Other Income 4(a) \$** -  +

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**Deductions Worksheet**

From Schedule A	1 \$	-	<input type="text" value="0"/>	+	
(From Step 1)	2 \$		12400		
(Line 1 minus line 2)	3 \$		0		
From Schedule 1	4 \$	-	<input type="text" value="2,500"/>	+	

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**Deductions 4(b) \$**      **2500**

Xtra withholding (to be added to Step 2 #4) -  +      **Extra Withholding 4(c) \$**      **226**

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Enter any other income in (a).

Part (b) has a Deduction Worksheet which is built into the screen. In the worksheet you have to supply the values for entries 1 and 4. 2 is already determined by your selection in Step 1. 3 and the final value shown in 4(b) are computed for you. Note that if your amount for entry 1 is less than the amount shown for 2 don't bother entering it, it will not be used.

Entry 4(c) is where you enter any additional withholding you would like similar to what was done in previous years. Your entry on the screen is in a field to the left of the 4(c) display. This is in case you used Step 2 for withholding due to multiple jobs. The number displayed at 4(c) is the amount you entered plus the amount from Step 2. If you review the W-4 Info display you will see that total at 4(c) is what goes on the form.

The screenshot shows a web browser window with the title 'Form W-4 Information'. The page content is as follows:

**2/17/20** **W4CSI**

## Form W-4 Information

**Step 1. Personal Information**  
1c Single/Married Filing Separately

**Step 2. Multiple Jobs**  
2c Checked **False**

**Step 3. Claim Dependents**

Qualifying Children	4000
Other Dependents	500
Total Dependents	3 \$ 4500

**Step 4. Other Adjustments**

Other Income	4(a) \$ 3000
Deductions	4(b) \$ 2500

This display shows the entries for the Form W-4 corresponding to the current state of the calculator.

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W4CSI

# Employer's Withholding Worksheet

Publication 15-T (2020) format

## Step 1. Wage amount

1a - Total Taxable Wages in pay period	\$1200
1b - Pay Periods (from Table 3)	26
1c - Annual Wages (1a X 1b)	\$31200
1d - Other income (W-4 4(a))	\$3000
1e - (1c + 1d)	\$34200
1f - Deductions (W-4 4(b))	\$2500
1g - (W-4 Step2)	\$8600
1h - (1f + 1g)	\$11100
1i - Adjusted Annual Wage (1e - 1h)	\$23100
1j - Allowances	0
1k - (1j X \$4300)	\$0

The Worksheet display shows the calculations based on the Employer's Withholding Worksheet for the current entries. Scroll to the bottom to see the FIT Withholding shown on the screen.

