

**American Payroll Association: Preparing for Year-End and 2020**

**Example 1 (pages 5-26, 5-27)**

		<b>Adjust the employee's wage amount</b>
Line 1a	\$ 1,750.00	Wages per payroll period
Line 1b	52	Pay periods per year
Line 1c	\$ 91,000.00	1a x 1b
Line 1d		
Line 1e		
Line 1f		
Line 1g		
Line 1h		
Line 1i		
Line 1j	5	# of allowances from pre-2020 Form W-4
Line 1k	\$ 21,000.00	1j x \$4,200
Line 1l	\$ 70,000.00	1c - 1k (Adjusted Annual Wage Amount)
		<b>Figure the Tentative Withholding Amount</b>
Line 2a	\$ 70,000.00	1l (Adjusted Annual Wage Amount from above)
Line 2b	\$ 31,200.00	In the Annual Percentage Method table, find the row in which the amount on Line 2a is at least the amount in Column A but less than the amount in Column B, then enter here the amount from Column A of that row.
Line 2c	\$ 1,940.00	Amount from Column C in the row (identified in Step 2b) of the Annual Percentage Method table
Line 2d	12%	% from Column D in the row (identified in Step 2b) of the Annual Percentage table
Line 2e	\$ 38,800.00	2a - 2b
Line 2f	\$ 4,656.00	2e x 2d
Line 2g	\$ 6,596.00	2c + 2f
Line 2h	\$ 126.85	2g / 1b (Tentative Withholding Amount)
		<b>Account for Tax Credits</b>
Line 3a	\$ -	0 (this is for Step 2 of 2020 Form W-4 or 0)
Line 3b	\$ -	3a / 1b (if 3a is 0, then this line is 0)
Line 3c	\$ 126.85	2h - 3b (withholding amount after tax credits)
		<b>Figure the final amount to withhold</b>
Line 4a	\$ -	Additional withholding amount from Line 6 of the pre-2020 Form W-4
Line 4b	\$ 126.85	3c + 4a (final withholding amount)

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**Example 2 (pages 5-27, 5-28)**

<b>Adjust the employee's wage amount</b>		
Line 1a	\$ 1,750.00	Wages per payroll period
Line 1b	52	Pay periods per year
Line 1c	\$ 91,000.00	1a x 1b
Line 1d	\$ -	Amount on Step 4(a) of the 2020 Form W-4
Line 1e	\$ 91,000.00	1c + 1d
Line 1f	\$ -	Amount on Step 4(b) of the 2020 Form W-4
Line 1g	\$ 12,600.00	If the box in Step 2 of the 2020 Form W-4 is checked, enter 0. If the box is not checked, enter \$12,600 if the taxpayer is married filing jointly or \$8,400 otherwise.
Line 1h	\$ 12,600.00	1f + 1g
Line 1i	\$ 78,400.00	1e - 1h
Line 1j		
Line 1k		
Line 1l		
<b>Figure the Tentative Withholding Amount</b>		
Line 2a	\$ 78,400.00	1l (Adjusted Annual Wage Amount from above)
Line 2b	\$ 31,200.00	In the Annual Percentage Method table, find the row in which the amount on Line 2a is at least the amount in Column A but less than the amount in Column B, then enter here the amount from Column A of that row.
Line 2c	\$ 1,940.00	Amount from Column C in the row (identified in Step 2b) of the Annual Percentage Method table
Line 2d	12%	% from Column D in the row (identified in Step 2b) of the Annual Percentage table
Line 2e	\$ 47,200.00	2a - 2b
Line 2f	\$ 5,664.00	2e x 2d
Line 2g	\$ 7,604.00	2c + 2f
Line 2h	\$ 146.23	2g / 1b (Tentative Withholding Amount)
<b>Account for Tax Credits</b>		
Line 3a	\$ -	0 (this is for Step 2 of 2020 Form W-4 or 0)
Line 3b	\$ -	3a / 1b (if 3a is 0, then this line is 0)
Line 3c	\$ 146.23	2h - 3b (withholding amount after tax credits)
<b>Figure the final amount to withhold</b>		
Line 4a	\$ -	Additional withholding amount from Line 6 of the pre-2020 Form W-4
Line 4b	\$ 146.23	3c + 4a (final withholding amount)

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**Example 3 (pages 5-28, 5-29, 5-30)**

		<b>Adjust the employee's wage amount</b>
Line 1a	\$ 1,750.00	Wages per payroll period
Line 1b	52	Pay periods per year
Line 1c	\$ 91,000.00	1a x 1b
Line 1d	\$ 26,000.00	Amount on Step 4(a) of the 2020 Form W-4
Line 1e	\$ 117,000.00	1c + 1d
Line 1f	\$ 2,600.00	Amount on Step 4(b) of the 2020 Form W-4
Line 1g	\$ -	If the box in Step 2 of the 2020 Form W-4 is checked, enter 0. If the box is not checked, enter \$12,600 if the taxpayer is married filing jointly or \$8,400 otherwise.
Line 1h	\$ 2,600.00	1f + 1g
Line 1i	\$ 114,400.00	1e - 1h
Line 1j		
Line 1k		
Line 1l		
		<b>Figure the Tentative Withholding Amount</b>
Line 2a	\$ 114,400.00	1l (Adjusted Annual Wage Amount from above)
Line 2b	\$ 96,400.00	In the Annual Percentage Method table, find the row in which the amount on Line 2a is at least the amount in Column A but less than the amount in Column B, then enter here the amount from Column A of that row.
Line 2c	\$ 14,382.50	Amount from Column C in the row (identified in Step 2b) of the Annual Percentage Method table
Line 2d	24%	% from Column D in the row (identified in Step 2b) of the Annual Percentage table
Line 2e	\$ 18,000.00	2a - 2b
Line 2f	\$ 4,320.00	2e x 2d
Line 2g	\$ 18,702.50	2c + 2f
Line 2h	\$ 359.66	2g / 1b (Tentative Withholding Amount)
		<b>Account for Tax Credits</b>
Line 3a	\$ 6,500.00	Amount on Step 3 of the 2020 Form W-4
Line 3b	\$ 125.00	3a / 1b (if 3a is 0, then this line is 0)
Line 3c	\$ 234.66	2h - 3b (withholding amount after tax credits)
		<b>Figure the final amount to withhold</b>
Line 4a	\$ 100.00	Additional withholding amount from Line 6 of the pre-2020 Form W-4
Line 4b	\$ 334.66	3c + 4a (final withholding amount)