

# Frequently Asked Questions About 2020 Form W-4 from IRS.gov



## Employee Questions

1. **Which option in Step 2 should I use to account for my multiple jobs? Which is most accurate? What if I don't want to reveal to my employer that I have a second job?**

Step 2 allows you to choose one of three options, which involve tradeoffs between accuracy, privacy, and ease of use:

### Option 1:

For maximum accuracy and privacy (to avoid revealing to your employer on your W-4 that you have multiple jobs) use the [IRS Tax Withholding Estimator](#). You will be guided to enter an additional amount to withhold on line 4c. You will need to know the approximate amount of pay for each job, but you will need to enter the additional amount on the Form W-4 for only one of the jobs. If pay for any of the jobs changes significantly, you will need to furnish a new Form W-4 to have accurate withholding.

### Option 2:

If you do not have access to the online Tax Withholding Estimator but wish to have roughly accurate withholding while retaining privacy, you may use [Worksheet 1](#) on page 3 and similarly be guided to enter an additional amount to withhold on line 4c. You will need to know the approximate amount of pay for each job, but you will need to enter the additional amount on the Form W-4 for only one of the jobs. If pay for any of the jobs changes the additional withholding amount in the lookup table, you will need to furnish a new Form W-4 to have accurate withholding.

### Option 3:

If there are only two jobs held at the same time in your household, you may check the box in Step 2 on the forms for both jobs. The standard deduction and tax brackets will be divided equally between the two jobs. You will not need to furnish a new Form W-4 to account for pay changes at either job. This option is less accurate — more tax than necessary may be withheld from your wages — but you generally won't have too little tax withheld. (The more similar the earnings at the two jobs, the more accurate this option will be. To get an idea of how much overwithholding you can expect in your case, see the tables that will be provided in the 2020 Pub. 505.) This option reveals to your employer on your W-4 that you have multiple jobs in your household. But it also is the easiest option to use: just check the box.



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- 2. The instructions above Step 3 say that in multiple job households, adjustments in lines 3 through 4b are to be made on only one form, and that withholding will be most accurate if the adjustments are made on the W-4 for the highest paying job. But what happens if pay at two jobs is relatively similar or if the job that pays more changes over time?**

In general, making these adjustments on the Form W-4 for the highest paying job increases accuracy. However, if the jobs in your household pay about the same or if the job that pays more changes over time, it is less important which Form W-4 is used to make the adjustment.

- 3. What if I don't want to reveal my non-job income, such as income from earnings on investments or retirement income, to my employer (line 4a)?**

You are not required to have taxes on non-wage income withheld from your paycheck. Instead, you can pay estimated tax on this income using [Form 1040-ES, Estimated Tax for Individuals](#). However, if you want to use Form W-4 to have tax for this income withheld from your paycheck, you have two options. You can report the income on line 4a. If you don't want to report this income directly on line 4a, you can use the Tax Withholding Estimator at [irs.gov/W4app](https://irs.gov/W4app). The estimator will help you calculate the additional amount of tax that should be withheld from your paycheck. You will then enter that amount on line 4c, without reporting the income to your employer. You also can check the box in Step 2(c) to have an additional amount withheld for reasons other than multiple jobs. If you expect to have dividend or capital gain income, your withholding will be more accurate if you have the estimator compute the withholding adjustment rather than reporting this income on line 4a.



## Employer Questions

- 1. How do I treat employees hired after 2019 who do not submit a Form W-4?**

New employees who fail to submit a Form W-4 after 2019 will be treated as a single filer with no other adjustments. This means that a single filer's standard deduction with no other entries will be taken into account in determining withholding.

- 2. May I ask all of my employees hired before 2020 to submit new Forms W-4 using the redesigned version of the form?**

Yes. You may ask, but as part of the request you should explain that:

- They are not required to submit new Form W-4 and
- If they do not submit a new Form W-4, withholding will continue based on a valid form previously submitted.

For those employees who furnished forms before 2020 and who do not furnish a new one after 2019, you must continue to withhold based on the forms previously submitted. You are not permitted to treat employees as failing to furnish Forms W-4 if they don't furnish a new Form W-4.

## For additional information

Visit IRS [Frequently Asked Questions](#), or [irs.gov/newsroom/faqs-on-the-draft-2020-form-w-4](https://irs.gov/newsroom/faqs-on-the-draft-2020-form-w-4).



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