Greetings.

The IRS has released its new W-4 for 2020. This is due to the federal tax law changes that took place in 2018. This form is a bit more detailed than you may be used to, although the IRS assures us that the new design “reduces complexity and increases the transparency and accuracy of the withholding system.” True or false, the new form is here to stay.

The good news for you is: **You are NOT required to complete a new W-4.** The IRS has designed the withholding tables so that they will work with both the new and prior year forms. You will complete a new form in these two instances – you get hired by a new employer in 2020 or you make withholding changes in 2020. If you are worried about your tax situation, speak with your tax advisor. You can perform a “paycheck checkup” to see if you need to make adjustments to your current withholding. To conduct the checkup, you can use the IRS’s Tax Withholding Estimator ([www.irs.gov/W4App](http://www.irs.gov/W4App)). To effectively use the estimator, it is helpful to have a copy of your most recent pay stub and tax return. It is likely that the estimator will be updated to account for the 2020 tax tables in early January. **Please note: if you do not submit a new form, withholding will continue based on your previously submitted form.**

For your convenience I have attached a copy of the new form in its entirety as well as frequently asked questions that you may find interesting and/or sleep inducing.

Should you opt to complete a new W-4, please read the instructions that are included with the form. You must complete Steps 1 and 5. Steps 2, 3, and 4 are optional, but completing them will help ensure that your federal income tax withholding will more accurately match your tax liability. Step 1 is for your personal information; Step 2 is for households with multiple jobs; Step 3 is used to claim tax credits for dependents; Step 4 is for other adjustments (additional income such as interest and dividends, itemized deductions that exceed the standard deduction, and extra tax you want withheld); and Step 5 is where you sign the form.

Please note that in completing a new W-4 you may end up sharing information about your personal finances that I would normally not know. Should you do so, this information will be kept confidential. If you are worried about reporting income from multiple jobs in Step 2 or other income in Step 4(a), you check the box in Step 2(c) or enter an additional withholding amount in Step 4(c). To determine the additional withholding amount, you can use the withholding estimator. Rest assured, I have no more interest in knowing your financial situation than you wanting me to know it.

Tyler Technology, our accounting software, has been working behind the scenes to update our federal deductions accordingly. However, I would urge you to review your January 2020 paycheck as it will reflect the changes from the new tax tables/new deductions.

As always, I am not your tax accountant/consultant/advisor. If you have questions, contact your own tax person for help. It may also be a good idea to go to the IRS website ([www.irs.gov](http://www.irs.gov)) for additional information. Good luck!