

**TO:** Faculty and Staff

**FROM:** The Department of Human Resources

**DATE:** 12/02/2019

**SUBJECT:** UPDATE: Annual IRS Changes

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Effective for the 2020 tax year, the Treasury Department and Internal Revenue Service (IRS) has made changes to the W-4 form and has changed the manner in which employers calculate exemptions. Changes include:

- The new design reduces the form's complexity and increases the transparency and accuracy of the withholding system. While it uses the same underlying information as the old design, it replaces complicated worksheets with more straightforward questions that make accurate withholding easier for employees.
- Allowances are no longer used for the redesigned Form W-4. This change is meant to increase transparency, simplicity, and accuracy of the form. In the past, the value of a withholding allowance was tied to the amount of the personal exemption. Due to changes in law, currently you cannot claim personal exemptions or dependency exemptions.
- Employees who have furnished Form W-4 in any year before 2020 are not required to furnish a new form merely because of the redesign. Employers will continue to compute withholding based on the information from the employee's most recently furnished Form W-4.

This will likely result in more federal taxes impacting weekly, bi-weekly and monthly payroll.

For more information, please visit the Internal Revenue Service (IRS) Link at or consult your CPA:

- **IRS News regarding W-4:** <https://www.irs.gov/newsroom/faqs-on-the-2020-form-w-4>
- **Tax Withholding estimator:** <https://apps.irs.gov/app/tax-withholding-estimator>