



EY Payroll NewsFlash Workforce Tax Services

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IRS issues early release of the 2020 percentage method tables for automated payroll systems

The IRS has issued an early release of the [2020 annual percentage tables](#). Later this month the IRS will publish the final Publication 15-T, *Federal Income Tax Withholding Methods* and Publication 15 (Circular E), *Employer's Tax Guide*.

As explained in [draft Publication 15-T](#), for 2020 and later years, there are two tables used to compute federal income tax withholding:

- *Standard Withholding Rate Schedules*. This table is used if the employee's Form W-4 is from 2019 or earlier or if the box in step 2 of the Form W-4 for 2020 and later years is not checked.
- *Form W-4, Step 2, Checkbox, Withholding Rate Schedules*. This table is used if the Form W-4 is from 2020 or later years and the box in step 2 of Form W-4 is checked.

These updated income tax withholding tables are designed to work with the extensive changes being made to the [2020 Form W-4](#). The final 2020 Form W-4 will be released by the IRS later this month.

The 2020 annual percentage withholding tables for automated payroll systems are reproduced on the following pages.

STANDARD Withholding Rate Schedules (Use these if the Form W-4 is from 2019 or earlier, or if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is NOT checked.)				
If the Adjusted Annual Wage Amount (line 2a) is		The tentative amount to withhold is...	Plus this percentage.	of the amount that the Adjusted Annual Wage exceeds...
At least...	But less than...			
A	B	C	D	E
Married Filing Jointly				
\$0	\$11,900	\$0.00	0%	\$0
\$11,900	\$31,650	\$0.00	10%	\$11,900
\$31,650	\$92,150	\$1,975.00	12%	\$31,650
\$92,150	\$182,950	\$9,235.00	22%	\$92,150
\$182,950	\$338,500	\$29,211.00	24%	\$182,950
\$338,500	\$426,600	\$66,543.00	32%	\$338,500
\$426,600	\$633,950	\$94,735.00	35%	\$426,600
\$633,950		\$167,307.50	37%	\$633,950
Single or Married Filing Separately				
\$0	\$3,800	\$0.00	0%	\$0
\$3,800	\$13,675	\$0.00	10%	\$3,800
\$13,675	\$43,925	\$987.50	12%	\$13,675
\$43,925	\$89,325	\$4,617.50	22%	\$43,925
\$89,325	\$167,100	\$14,605.50	24%	\$89,325
\$167,100	\$211,150	\$33,271.50	32%	\$167,100
\$211,150	\$522,200	\$47,367.50	35%	\$211,150
\$522,200		\$156,235.00	37%	\$522,200
Head of Household				
\$0	\$10,050	\$0.00	0%	\$0
\$10,050	\$24,150	\$0.00	10%	\$10,050
\$24,150	\$63,750	\$1,410.00	12%	\$24,150
\$63,750	\$95,550	\$6,162.00	22%	\$63,750
\$95,550	\$173,350	\$13,158.00	24%	\$95,550
\$173,350	\$217,400	\$31,830.00	32%	\$173,350
\$217,400	\$528,450	\$45,926.00	35%	\$217,400
\$528,450		\$154,793.50	37%	\$528,450

Form W-4, Step 2, Checkbox, Withholding Rate Schedules				
(Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 IS checked.)				
If the Adjusted Annual Wage Amount (line 2a) is		The tentative amount to withhold is...	Plus this percentage.	of the amount that the Adjusted Annual Wage exceeds...
At least...	But less than...			
A	B	C	D	E
Married Filing Jointly				
\$0	\$12,400	\$0.00	0%	\$0
\$12,400	\$22,275	\$0.00	10%	\$12,400
\$22,275	\$52,525	\$987.50	12%	\$22,275
\$52,525	\$97,925	\$4,617.50	22%	\$52,525
\$97,925	\$175,700	\$14,605.50	24%	\$97,925
\$175,700	\$219,750	\$33,271.50	32%	\$175,700
\$219,750	\$323,425	\$47,367.50	35%	\$219,750
\$323,425		\$83,653.75	37%	\$323,425
Single or Married Filing Separately				
\$0	\$6,200	\$0.00	0%	\$0
\$6,200	\$11,138	\$0.00	10%	\$6,200
\$11,138	\$26,263	\$493.75	12%	\$11,138
\$26,263	\$48,963	\$2,308.75	22%	\$26,263
\$48,963	\$87,850	\$7,302.75	24%	\$48,963
\$87,850	\$109,875	\$16,635.75	32%	\$87,850
\$109,875	\$265,400	\$23,683.75	35%	\$109,875
\$265,400		\$78,117.50	37%	\$265,400
Head of Household				
\$0	\$9,325	\$0.00	0%	\$0
\$9,325	\$16,375	\$0.00	10%	\$9,325
\$16,375	\$36,175	\$705.00	12%	\$16,375
\$36,175	\$52,075	\$3,081.00	22%	\$36,175
\$52,075	\$90,975	\$6,579.00	24%	\$52,075
\$90,975	\$113,000	\$15,915.00	32%	\$90,975
\$113,000	\$268,525	\$22,963.00	35%	\$113,000
\$268,525		\$77,396.75	37%	\$268,525

Contact us for more information

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