New 2020 W-4 Form

Straight from the IRS FAQs on the new 2020 W-4 Form Employee’s Withholding Certificate.

- 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 to increase transparency, simplicity, and accuracy. 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 submitted Form W-4 in any year before 2020 are not required to submit a new form merely because of the redesign. Employers will continue to compute withholding based on the information from the employee’s most recently submitted Form W-4.

Escape Setup for New 2020 W-4 Form

Escape made changes to the software to accommodate the new 2020 Federal W-4 form that has been released this calendar year.

These changes are currently in the Training Database with the 20.01 Escape Online5 software release. Production is scheduled to update after January Supplemental (2/7/20) is processed.

Recap of the upcoming changes to the new W-4 form:
- Elimination of Federal Allowances
- New Filing Status for Head of Household
- New Multiple Jobs indicator
- New fields for Dependent Amounts, Other Income, and Deductions
- New Withholding Rate Schedules if Multiple Jobs Indicator is checked
- Separate calculations for Pre-2020 W-4 forms and 2020 and later forms (the system will continue supporting the old FIT calculates for pre 2020 forms)
New Look for Employee Management Taxes Tab

The tax tab in the Employee Management activity will change in the 20.01 release. Depending on the value in the 'W-4 Form' field (Pre 2020 or 2020 and later), certain fields in section 2, Federal Withholding Setup, may or may not be editable.

Here is the proposed new look of the Taxes tab. See Example next page.

The Search will be updated to include the new fields. The W-4 form and the Tax Calculator in V5 Employee Online Portal will be updated to comply with the new fields. The updates will be in the 20.01.01 release of the V5 Employee Online Portal.

Employee Portal Tax Changes

If your district is accepting electronic W-4 forms using our V5 Employee Online portal this activity has been temporarily “Turned Off” until the release has been installed in Production.
Example Escape Proposed changes in the Taxes Tab