

Overview

Paychex is committed to providing the highest quality of service to you and your Paychex clients. This Reference Guide for Accountants has been created to help you and your Paychex clients prepare and plan for year-end needs. We value our business relationship with you and trust that this information will assist with your year-end processing and planning. More details regarding year-end information can be found in the Paychex Client Quarter/Year-End Reference Guide located at payx.me/yend.

If you have any questions, please contact your sales representative. The content of this guide can also be viewed online at payx.me/ye-guide.

Updates

2020 Form W-4

The IRS has modified Form W-4, Employee's Withholding Certificate, for the 2020 tax year, due to changes implemented following the 2017 Tax Cuts and Jobs Act (TCJA). The revisions are intended to "make accurate withholding easier for employees."

The new form is broken down into five steps for employees to complete: personal information, accounting for multiple jobs, claiming dependents, other adjustments, and signature and attestation.

Among the most noticeable changes was the removal of withholding allowances, which was tied to an individual's personal exemptions. Personal exemptions were eliminated by the TCJA. Employer instructions related to the new 2020 W-4 are available in *Publication 15-T, Federal Income Tax Withholding Methods*.

Employers are required to have all new employees complete the 2020 W-4 beginning January 1, 2020.

Current employees will not be required to complete a 2020 W-4, unless they are requesting a change to their withholding.

A complete listing of frequently asked questions (FAQs) can be found at: www.irs.gov/newsroom/faqs-on-the-draft-2020-form-w-4.

New IRS Tax Withholding Estimator

The IRS has created a new Tax Withholding Estimator, based on the significant changes under the TCJA. The new Tax Withholding Estimator offers workers, as well as retirees, self-employed individuals and other taxpayers, a simpler tool to determine the correct amount of income tax they should have withheld from wages and pension payments.

The Estimator allows for wages from multiple jobs, spousal wages, and other sources of income, to determine the most accurate withholding amount.

The Tax Withholding Estimator can be found at: www.irs.gov/individuals/tax-withholding-estimator.