Editing W-4 Form Information in Evolution Classic

The new 2020 W-4 form has resulted in major changes to how Federal income tax is calculated in future payrolls.   As a result, changes have been made in Evolution to comply with the IRS. Please reference this document to assist with updating an employee's 2020 W-4 form in the Evolution Classic payroll system.

Step 1: Personal Information

- For a W-4 to be considered 'Valid', all employees must complete Steps 1 & Step 5.
- In box 1(c), you will notice a new marital status for 2020, **Head of Household**.
- There are a total of **6** new Marital Statuses added to Evolution. (See Step 2 for 'Higher….')
- One of the below new **Marital Status** in Evolution are needed based on the **1c** response:
    - Standard Single or Married filing separately
    - Standard Married filing jointly
    - Standard Head of Household

Evolution Note: Federal Dependents

- The new W-4 form does **not** use **'Number of Withholding Allowances/Federal Dependents'**.
- Since the previous W-4 form is still Valid for all prior employees, Evolution uses this information to calculate 2020 withholding taxes based on the 2020 tax tables provided by the IRS!
- When a current employee completes a 2020 W-4 form, you will need to **change** the Federal Dependents to '0'.
- When a new employee completes a 2020 W-4 form, this should always default/remain **'0'**!

*Based on the statement below from the 2020 W-4 form, **Steps 2-4** are **not required** to be completed to be considered a **'Valid'** form. If an employee completes only **Step 1 and Step 5**, the form is considered 'Valid' with the IRS.

Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

Step 2: Multiple Jobs or Spouse Works

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Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

(a) Use the estimator at *www.irs.gov/W4App* for most accurate withholding for this step (and Steps 3–4); **or**

(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; **or**

(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld . . . . . ▶ ☐

TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

- If an employee marks the box in **2(c)**, the Marital Status with **'Higher'** in the name should be selected in Evolution. If this field is blank, select the 'Standard' status as referenced in Step 1.
  (This will result in more taxes being deducted from their paycheck.)
    - Higher Single or Married filing separately
    - Higher Married filing jointly
    - Higher Head of Household

Taxation Details

Federal Marital Status*

Higher Single or Married filing separately ▾

Step 3: Claim Dependents

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If your income will be $200,000 or less ($400,000 or less if married filing jointly):

Multiply the number of qualifying children under age 17 by $2,000 ▶ $_____

Multiply the number of other dependents by $500   . . . . . ▶ $_____

Add the amounts above and enter the total here   . . . .   3 $_____

- Enter the amount in Box 3 in Evolution **W-4 Total Dependents Tax Credit** field

W4 Total Dependents Tax Credit

Step 4: Other Adjustments

- 4(a) – Other Income: Enter the $ amount in Box 4a in Evolution **Other Income** field
  (Employees can use Page 3 – Multiple Jobs Worksheet on how to complete)

- 4(b) – Deductions: Enter the $ amount in Box 4b in Evolution **Deductions** field
  (Employees can use Page 3 – Deductions Worksheet on how to complete)

- 4(c) – Extra Withholding – Enter the $ amount in Box 4c in Evolution
  Override Fed Type/Value:
  (This remains under the Employee – Employee – Federal Tab)
  (This amount is based on each pay period)

- **To claim Exempt: Employees must certify they meet both conditions by **WRITING** the word **EXEMPT** in the
  space under Step 4c.
  Steps 1a, 1b and 5 should also be completed, This exemption will expire Feb 15 of each year.

Step 5: Signature

- For a W-4 to be considered 'Valid', all employees must complete Step 1 & Step 5.