



IR-2020-09: Improved Tax Withholding Estimator helps workers target the refund they want; shows how to fill out new 2020 W-4

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Issue Number: IR-2020-09

Inside This Issue

Improved Tax Withholding Estimator helps workers target the refund they want; shows how to fill out new 2020 W-4

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WASHINGTON — The Internal Revenue Service has launched a new and improved [Tax Withholding Estimator](#), designed to help workers target the refund they want by having the right amount of federal income tax taken out of their pay.

The Tax Withholding Estimator, now available on [IRS.gov](#), incorporates the changes from the redesigned [Form W-4](#), Employee's Withholding Certificate, that employees can fill out and give to their employers this year.

The IRS urges everyone to see if they need to adjust their withholding by using the Tax Withholding Estimator to perform a Paycheck Checkup. If an adjustment is needed, the Tax Withholding Estimator gives specific recommendations on how to fill out their employer's online Form W-4 or provides the PDF form with key parts filled out.

To help workers more effectively adjust their withholding, the improved Tax Withholding Estimator features a customized refund slider that allows users to choose the refund amount they prefer from a range of different refund amounts. The exact refund range shown is customized based on the tax information entered by that user.

Based on the refund amount selected, the Tax Withholding Estimator will give the worker specific recommendations on how to fill out their W-4. This new feature allows users who seek either larger refunds at the end of the year or more money on their paychecks throughout the year to have just the right amount withheld to meet their preference.

The new Tax Withholding Estimator also features several other enhancements, including one allowing anyone who expects to receive a bonus to indicate whether tax will be withheld. In addition, improvements added last summer continue to be available, including mobile-friendly design, handling of pension income, Social Security benefits and self-employment tax.

Starting in 2020, income tax withholding is no longer based on an employee's marital status and withholding allowances, tied to the value of the personal exemption. Instead, income tax withholding is generally based on the worker's expected filing status and standard deduction for the year. In addition, workers can choose to have itemized deductions, the Child Tax Credit and other tax benefits reflected in their withholding for the year.

It is important for people with more than one job at a time (including families in which both spouses work) to adjust their withholding to avoid having too little withheld. Using the Tax Withholding Estimator is the most accurate way to do this. As in the past, employees can also choose to have an employer withhold an additional flat-dollar amount each pay period to cover, for example, income they receive from the gig economy, self-employment, or other sources that is not subject to withholding.

For more information about the updated Tax Withholding Estimator and the redesigned 2020 Form W-4, visit [IRS.gov](#).

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