

2019 American Payroll Association Year-End Events



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November 2019

Form W-2 Verification Code Pilot ends for tax year 2019

- Verification code “test and learn” pilot successful
- Federal law requires employers to submit Forms W-2 to Social Security Administration by January 31
- New W-2 submission date superseded the need for verification codes
- **Thank you payroll service providers!**



Draft 2020 Form W-4

- [IRS.gov/draftforms](https://www.irs.gov/draftforms)
- [IRS.gov/W4](https://www.irs.gov/W4)

Form W-4 Department of the Treasury Internal Revenue Service		Employee's Withholding Certificate		OMB No. 1545-0074
		▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.		2020
		▶ Give Form W-4 to your employer.		
		▶ Your withholding is subject to review by the IRS.		
Step 1: Enter Personal Information	(a) First name and middle initial		Last name	(b) Social security number
	Address			
	City or town, state, and ZIP code			
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly (or Qualifying widow(er)) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)			
▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov.				
Complete Steps 2 through 4 ONLY if they apply to you. To see if you are exempt from withholding or if you have concerns about your privacy, see page 2. Everyone must complete Step 5. See instructions on page 2.				
Step 2: Multiple Jobs or Spouse	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.			



Software systems for new W-4s

- Two software systems for old and new W-4 is not necessary
- Same set of withholding tables used for both forms
- Apply these tables separately to systems for new and old forms
- Additional guidance is coming on the payroll calculations needed based on data fields on the new and old forms

Use of new W-4

- New employees who fail to submit a Form W-4 after 2019 – treated as single filer with no other adjustments
- Beginning in 2020, all new employees must use the redesigned form
- Employees hired before 2020 not required to submit new Form W-4
 - Continue withholding based on a previously submitted valid form

Exemption from withholding

- To claim exemption from withholding for 2020, these two conditions must be met:
 1. No federal tax owed for 2019
 2. No expectation to owe federal tax in 2020
- Certify both conditions are met by writing “Exempt” on Form W-4 in the space below Step 4(c) and complete Steps 1 and 5
- Submit a new W-4 by Feb. 16, 2021 to continue claiming exemption from withholding

Adjustment for nonresident aliens

- Pub 15-T will provide instructions on the additional amounts to add to wages to determine withholding for nonresident aliens
- Nonresident alien employees should continue to follow special instruction in Notice 1392 when completing their Forms W-4

2020 Publication 15-T

- Second draft Pub 15-T issued in August 2019
- Final draft coming in December 2019
- Computations in pub allows withholdings to be figured on any Form W-2
- Find updates at:
IRS.gov/Pub15T



Department of the Treasury
Internal Revenue Service

Publication 15-T

Cat. No. 32112B

Federal Income Tax Withholding Methods

For use in **2020**

Paycheck Checkup

Those most likely to owe tax because they've had too little tax withheld include:

- Those who itemized in the past but now take the increased standard deduction
- Two-wage-earner households
- Employees with nonwage sources of income
- Those with complex tax situations

Tax Withholding Estimator

IRS.gov/withholding



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Tax Withholding Estimator

Use your best estimates for the year ahead to determine how to complete Form W-4 so you don't have too much or too little federal income tax withheld.



About You

Select the information that best describes how you anticipate filing your 2019 tax return.

1 of 5: Filing Status

What filing status will you use for your tax return? (*Required) [?](#)

Tax Withholding Estimator

- Plain language used within the tool
- Ability to effectively target tax due or refund
- Progress tracker
- Enhanced navigation within the tool
- Tips and links to more information
- Determines self-employment tax
- Automatically calculates taxable portion of Social Security benefits
- Mobile-friendly design



Tax Withholding Estimator

- Addresses self-employed individuals
- Alerts these users to several special tax benefits including:
 - Self-employed health insurance deduction
 - Deductions for contributions to:
 - Simplified Employee Pension (SEP)
 - Savings Incentive Match Plans for Employees (SIMPLE)
 - Other qualified retirement plans



Tax Withholding Estimator

- Automatically calculates self-employment tax and deduction
- Easy to enter wages and withholding for each job held by the taxpayer and spouse
- Ability to separately enter pensions and other sources of income
- Makes specific withholding recommendations for each job and spouse – explains next steps
- Automatically links to withholding forms

Tax Withholding Estimator and Retirees

- Features specially tailored to retirees receiving pension payments and Social Security benefits
- Uses a simple, six-step question & answer format to determine if correct withholdings from these income sources
- Automatically calculates the taxable portion of pensions and SS benefits – links to Form W-4P

Plan ahead – For using The Withholding Estimator

- Estimate values of income, number of children claimed for the Child Tax Credit and EITC
- Gather recent pay stubs
- Have a copy of most recent income tax return
- Results are only as accurate as info provided
- No PII required to use tool
- Taxpayers encouraged to check their withholding again in early 2020

Business email compromise

- Cybercriminals use various “spoofing” techniques to make it appear from an organizations executive
- Sometimes called Business Email Compromise (BEC)
- Many times they request a list of all employees and their Forms W-2 or a transfer of fund to a specified account

Reporting data loss: W-2 scam

- The IRS can help protect employees from tax-related ID theft if notified quickly about the loss
- Email: **dataloss@irs.gov**
 - Subject line: **W2 Data Loss**
- The IRS does not initiate contact with taxpayers by email, text messages or social media



Reporting data loss: W-2 scam

- Data breaches could affect victims' state tax accounts
- Email Federation of Tax Administrators
—**StateAlert@taxadmin.org**
- File a complaint with the FBI's Internet Crime Complaint Center (IC3)
- File a report with local law enforcement agencies

Data breach – Info for affected clients or employees

- IRS Pub 5027, Identity Theft Information for Taxpayers
- Place a “fraud alert” or “credit freeze” with at least one of the three credit bureaus
- File a complaint with the Federal Trade Commission
- Review FTC’s www.identitytheft.gov for additional steps

Reporting W-2 phishing email

- Email: **phishing@irs.gov**
 - Subject line: **W2 Scam**
 - Email headers in plain ASCII text format
 - Attach phishing email to one you're sending to the IRS
 - Do not include PII such as SSNs or W-2s
- File a complaint with the FBI's IC3



Preventing BECs

- Confirm requests for W-2s and wire transfers verbally using known phone numbers
- Verify requests for change in vendor payments – require a second sign-off
- Educate employees with access to sensitive data about BECs
- Consult with IT; follow FBI safeguards:
 - Create intrusion detection system and email flag rules
 - Color code internal and external emails

Payroll Industry Calls

- Monthly payroll industry calls
 - First Thursday of each month
 - 1:00 p.m. Eastern
- For an invitation to join the discussions, email:
sbse.payroll@irs.gov



e-News for Payroll Professionals

- Information about:
 - Recent changes affecting payroll issues
 - IRS news releases and announcements pertaining to the payroll industry
 - Employment tax procedures
 - Other information of interest to payroll pros
- **IRS.gov – Keyword: e-News**




IRS social media


- Instagram – @IRSnews
- Twitter:
 - @IRSnews
 - @IRSenEspanol
 - @IRStaxsecurity
- YouTube: IRS Videos in English, Spanish and American Sign Language
- Facebook: IRS, IRS en Español, IRS Tax Pros



IRS Webinars

IRS.gov – Keyword: webinars



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Webinars for Tax Practitioners

English

Individuals
International Taxpayers
Businesses and Self-Employed
Small Business and Self-Employed
Employer ID Numbers

Upcoming Webinars

- [Relief Procedures for Certain Former Citizens](#) – October 10, 2019
- [Understanding the 2020 Form W-4 and How to Use it to Compute Withholding](#) – October 22, 2019

Relief Procedures for Certain Former Citizens

This webinar will cover the following:


Related Resources


- [Practitioner Local Liaison Meetings and Seminars](#)
- [Tax Practitioner Institute Classes](#)
- [Workshops and Other Events in Spanish for Small Businesses \(SP\)](#)




Stakeholder Liaison

IRS.gov – Keyword: stakeholder liaison



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Stakeholder Liaison Local Contacts

English

Individuals

International Taxpayers

Businesses and Self-Employed

Stakeholder Liaison establishes relationships with practitioner and industry organizations representing small business and self-employed taxpayers. We provide information about the policies, practices and procedures the IRS uses to ensure compliance with the tax laws. We also elevate issues that affect tax administration. To establish a relationship with us or report an issue, use this list to find a contact in your state.

Related Topics

- [Partners and Stakeholders](#)
- [IRS Stakeholder Partners Headliners](#)



Resources

- [IRS.gov/withholding](https://www.irs.gov/withholding)
- [IRS.gov](https://www.irs.gov) – Keyword: payroll center
- Publication 505, Tax Withholding and Estimated Tax
- Form W-4, Employee's Withholding Certificate
- Form 1040-ES, Estimated Tax for Individuals

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