

Product Bulletin

For Customer Release

2020 Federal Tax Tables - FMS

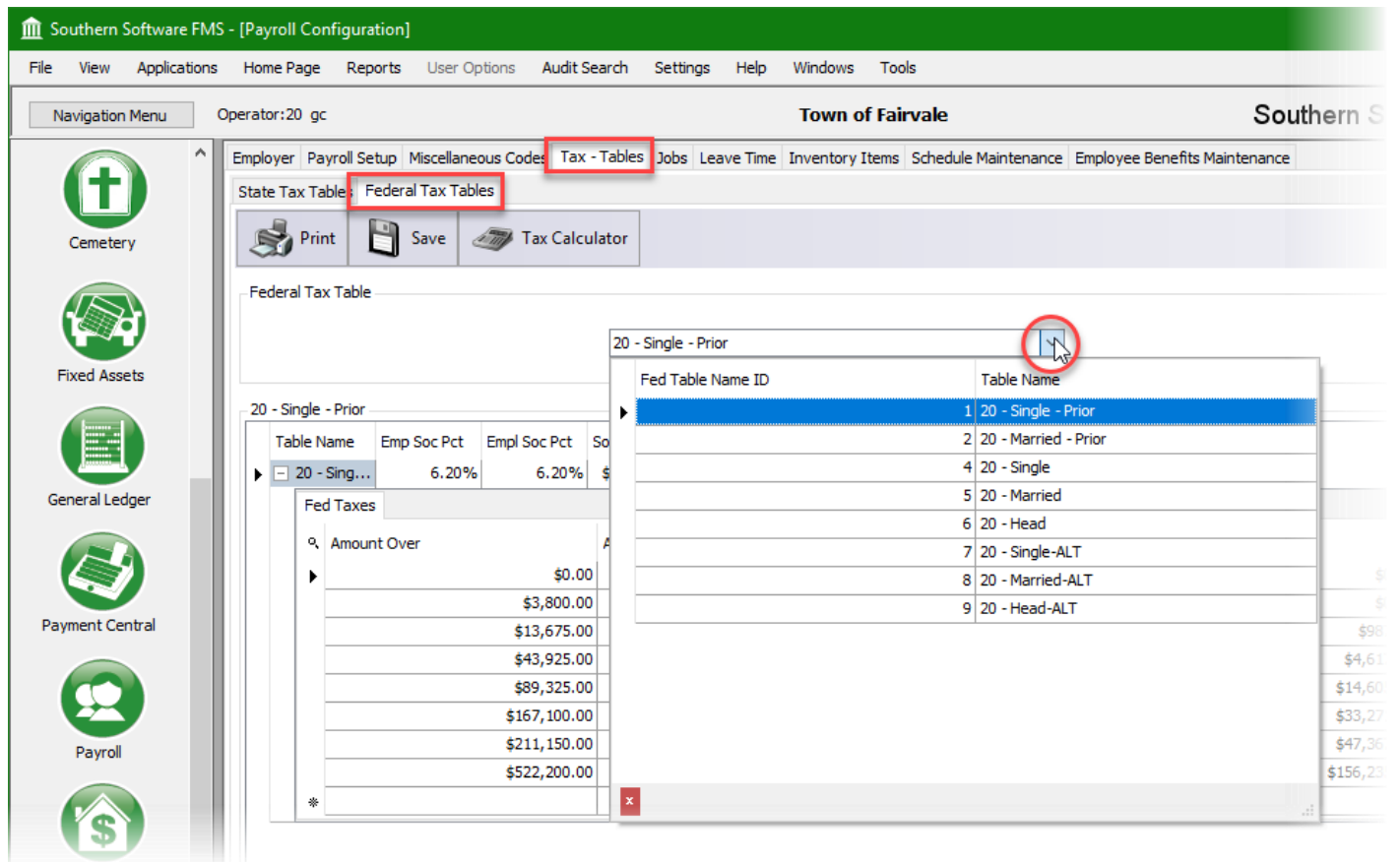
The information used to update the 2020 Federal Tax Tables comes from IRS Publication 15-T:
<https://www.irs.gov/pub/irs-pdf/p15t.pdf>



While Southern Software makes every effort to ensure the information contained in these Tax Tables is accurate, it remains the responsibility of the customer to verify this information. If you have any questions concerning the Tax Tables, please contact your Auditor or Tax Advisor.

Standard and Alternate Withholding Rate Schedules

This year the IRS is providing STANDARD and ALTERNATE withholding rate schedules. The IRS is also changing the way the standard deduction is applied based on employees' W-4 criteria. When you run the 2020 Federal Tax Table scripts from us, you will see the new tables in **Payroll Configuration > Tax - Tables > Federal Tax Tables**.



Southern Software FMS - [Payroll Configuration]

File View Applications Home Page Reports User Options Audit Search Settings Help Windows Tools

Navigation Menu Operator:20 gc **Town of Fairvale** Southern S

Employer Payroll Setup Miscellaneous Codes **Tax - Tables** Jobs Leave Time Inventory Items Schedule Maintenance Employee Benefits Maintenance

State Tax Tables **Federal Tax Tables**

Print Save Tax Calculator

Federal Tax Table

20 - Single - Prior

Fed Table Name ID	Table Name
1	20 - Single - Prior
2	20 - Married - Prior
4	20 - Single
5	20 - Married
6	20 - Head
7	20 - Single-ALT
8	20 - Married-ALT
9	20 - Head-ALT

Table Name	Emp Soc Pct	Empl Soc Pct	So
20 - Sing...	6.20%	6.20%	\$

Fed Taxes

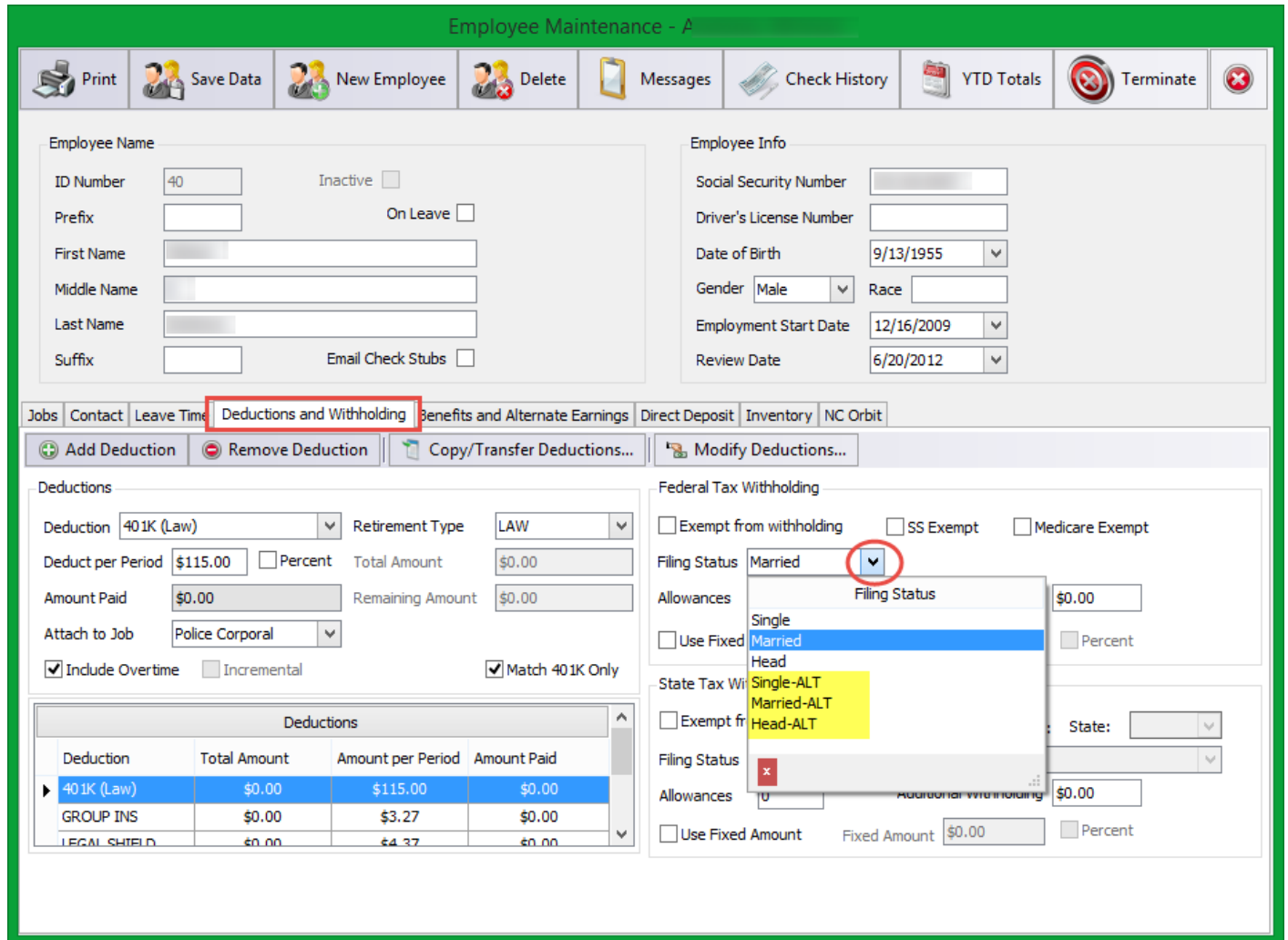
Amount Over	
	\$0.00
	\$3,800.00
	\$13,675.00
	\$43,925.00
	\$89,325.00
	\$167,100.00
	\$211,150.00
	\$522,200.00

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How to Assign the Applicable Tax Table to an Employee Maintenance Record

Assign the applicable tax table by going to **Payroll Employee Maintenance > Deductions and Withholding** tab > **Federal Tax Withholding** section and clicking the down arrow in the **Filing Status** field as shown in the example below:



The screenshot shows the 'Employee Maintenance - A' window. The 'Deductions and Withholding' tab is active. In the 'Federal Tax Withholding' section, the 'Filing Status' dropdown menu is open, showing a list of options: Married (highlighted), Single, Head, Single-ALT, Married-ALT, and Head-ALT. The 'Married' option is circled in red. Other fields include Deduction (401K (Law)), Retirement Type (LAW), Deduct per Period (\$115.00), Total Amount (\$0.00), Amount Paid (\$0.00), Remaining Amount (\$0.00), Attach to Job (Police Corporal), and checkboxes for Include Overtime, Incremental, and Match 401K Only. A table below shows a list of deductions with columns for Deduction, Total Amount, Amount per Period, and Amount Paid.

Deduction	Total Amount	Amount per Period	Amount Paid
401K (Law)	\$0.00	\$115.00	\$0.00
GROUP INS	\$0.00	\$3.27	\$0.00
LEGAL SHIELD	\$0.00	\$4.37	\$0.00

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New Tables Explained

W-4 Prior to 2020

If the employee's form W-4 is 2019 or earlier, assign Single-Prior or Married-Prior tax tables to these employees' maintenance records. These employees will use the same standard deduction from 2019 (as shown in the **Std Ded Allow** field of the example screens below). An employee's deduction will be calculated just as it has been in prior years in FMS by multiplying the number of allowances entered on the employee's Employee Maintenance record (**Payroll Employee Maintenance > Deductions and Withholding** tab > **Federal Tax Withholding**) by the amount shown in the **Std Ded Allow** field of the tax table assigned to them.

Single (W-4 prior to 2020) Federal Allowance can remain the same as in 2019

Federal Tax Table

20 - Single - Prior

Table Name	Emp Soc Pct	Empl Soc Pct	Soc Sec Max	Emp Med Pct	Empl Med Pct	Std Ded Allow
20 - Sing...	6.20%	6.20%	\$137,700.00	1.45%	1.45%	\$4,300.00

Fed Taxes

Amount Over	Amt Not Over	Tax Percent	Tax Fix Amt
\$0.00	\$3,800.00	0.0000%	\$0.00
\$3,800.00	\$13,675.00	10.0000%	\$0.00
\$13,675.00	\$43,925.00	12.0000%	\$987.50
\$43,925.00	\$89,325.00	22.0000%	\$4,617.50
\$89,325.00	\$167,100.00	24.0000%	\$14,605.50
\$167,100.00	\$211,150.00	32.0000%	\$33,271.50
\$211,150.00	\$522,200.00	35.0000%	\$47,367.50
\$522,200.00	\$9,999,999.99	37.0000%	\$156,235.00
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Married (W-4 prior to 2020) Federal Allowance can remain the same as in 2019

Federal Tax Table

20 - Married - Prior

20 - Married - Prior

Table Name	Emp Soc Pct	Empl Soc Pct	Soc Sec Max	Emp Med Pct	Empl Med Pct	Std Ded Allow
20 - Mar...	6.20%	6.20%	\$137,700.00	1.45%	1.45%	\$4,300.00

Fed Taxes			
Amount Over	Amt Not Over	Tax Percent	Tax Fix Amt
\$0.00	\$11,900.00	0.0000%	\$0.00
\$11,900.00	\$31,650.00	10.0000%	\$0.00
\$31,650.00	\$92,150.00	12.0000%	\$1,975.00
\$92,150.00	\$182,950.00	22.0000%	\$9,235.00
\$182,950.00	\$338,500.00	24.0000%	\$29,211.00
\$338,500.00	\$426,600.00	32.0000%	\$66,543.00
\$426,600.00	\$633,950.00	35.0000%	\$94,735.00
\$633,950.00	\$9,999,999.99	37.0000%	\$167,307.50

W-4 Is 2020 AND Step 2 Box on W-4 is NOT checked

If form W-4 is 2020 AND Step 2 Box NOT checked, you can use the standard rates.

Form **W-4**

Department of the Treasury
Internal Revenue Service

Employee's Withholding Certificate

▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
▶ Give Form W-4 to your employer.
▶ Your withholding is subject to review by the IRS.

OMB No. 1545-0074

2020

Step 1:
Enter Personal Information

(a) First name and middle initial _____ Last name _____

Address _____

City or town, state, and ZIP code _____

(c) Single or Married filing separately
 Married filing jointly (or Qualifying widow(er))
 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.)

(b) Social security number _____

▶ 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 2-4 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

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

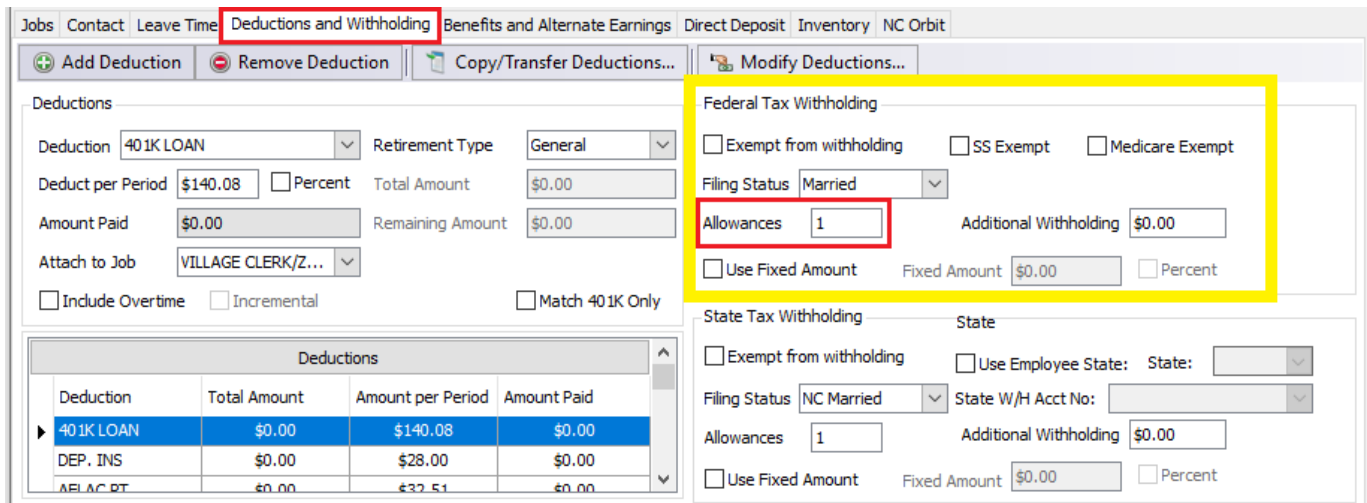
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You will assign Single, Married or Head tables on these employees' Employee Maintenance records.

However, when using the new standard rate schedule, note that these employees will also use the new standard deduction allowance (as shown in the **Std Ded Allow** field of the example screens below). An employee's deduction will no longer be calculated. It will be applied as a flat amount regardless of the number of deductions.

IMPORTANT: In order for this to work properly in FMS, in Employee Maintenance (**Payroll Employee Maintenance > Deductions and Withholding** tab > **Federal Tax Withholding**), the **Allowances** field in the "Federal Tax Withholding" section **must be set to 1** as shown in the example below:



The screenshot shows the 'Deductions and Withholding' tab. The 'Federal Tax Withholding' section is highlighted in yellow. Within this section, the 'Allowances' field is highlighted in red and contains the value '1'. Other fields include 'Filing Status' set to 'Married', 'Additional Withholding' set to '\$0.00', and 'Use Fixed Amount' checked with a fixed amount of '\$0.00'. Below this, the 'State Tax Withholding' section is also visible, with 'Filing Status' set to 'NC Married' and 'Allowances' also set to '1'.

Single (2020 W-4) Federal Allowance in Employee Maintenance has to change to 1

Federal Tax Table

20 - Single

Table Name	Emp Soc Pct	Empl Soc Pct	Soc Sec Max	Emp Med Pct	Empl Med Pct	Std Ded Allow
20 - Single	6.20%	6.20%	\$137,700.00	1.45%	1.45%	\$8,600.00

Fed Taxes

Amount Over	Amt Not Over	Tax Percent	Tax Fix Amt
\$0.00	\$3,800.00	0.0000%	\$0.00
\$3,800.00	\$13,675.00	10.0000%	\$0.00
\$13,675.00	\$43,925.00	12.0000%	\$987.50
\$43,925.00	\$89,325.00	22.0000%	\$4,617.50
\$89,325.00	\$167,100.00	24.0000%	\$14,605.50
\$167,100.00	\$211,150.00	32.0000%	\$33,271.50
\$211,150.00	\$522,200.00	35.0000%	\$47,367.50
\$522,200.00	\$9,999,999.99	37.0000%	\$156,235.00

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Married (2020 W-4) Federal Allowance in Employee Maintenance has to change to 1

Federal Tax Table

20 - Married

Table Name	Emp Soc Pct	Empl Soc Pct	Soc Sec Max	Emp Med Pct	Empl Med Pct	Std Ded Allow
20 - Mar...	6.20%	6.20%	\$137,700.00	1.45%	1.45%	\$12,900.00

Fed Taxes

Amount Over	Amt Not Over	Tax Percent	Tax Fix Amt
\$0.00	\$11,900.00	0.0000%	\$0.00
\$11,900.00	\$31,650.00	10.0000%	\$0.00
\$31,650.00	\$92,150.00	12.0000%	\$1,975.00
\$92,150.00	\$182,950.00	22.0000%	\$9,235.00
\$182,950.00	\$338,500.00	24.0000%	\$29,211.00
\$338,500.00	\$426,600.00	32.0000%	\$66,543.00
\$426,600.00	\$633,950.00	35.0000%	\$94,735.00
\$633,950.00	\$9,999,999.99	37.0000%	\$167,307.50

Head (2020 W-4) Federal Allowance in Employee Maintenance has to change to 1

Federal Tax Table

20 - Head

Table Name	Emp Soc Pct	Empl Soc Pct	Soc Sec Max	Emp Med Pct	Empl Med Pct	Std Ded Allow
20 - Head	6.20%	6.20%	\$137,700.00	1.45%	1.45%	\$8,600.00

Fed Taxes

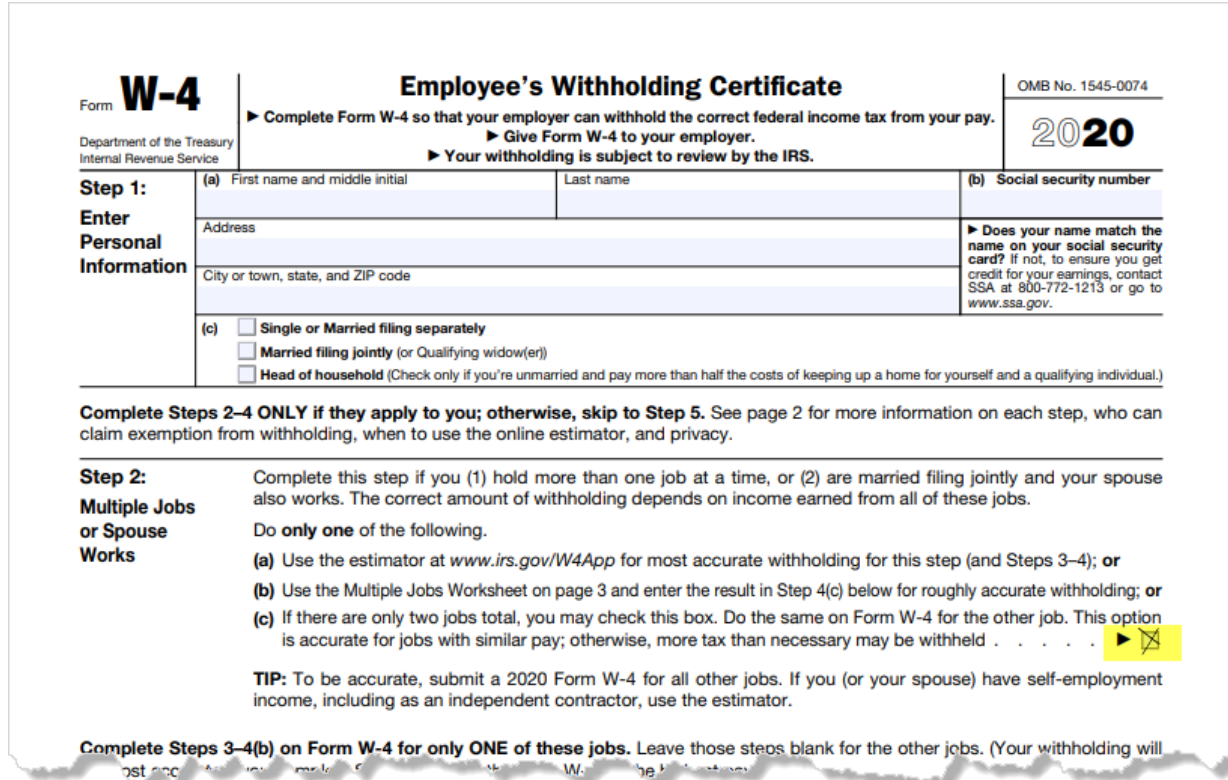
Amount Over	Amt Not Over	Tax Percent	Tax Fix Amt
\$0.00	\$10,050.00	0.0000%	\$0.00
\$10,050.00	\$24,150.00	10.0000%	\$0.00
\$24,150.00	\$63,750.00	12.0000%	\$1,410.00
\$63,750.00	\$95,550.00	22.0000%	\$6,162.00
\$95,550.00	\$173,350.00	24.0000%	\$13,158.00
\$173,350.00	\$217,400.00	32.0000%	\$31,830.00
\$217,400.00	\$528,450.00	35.0000%	\$45,926.00
\$528,450.00	\$9,999,999.99	37.0000%	\$154,793.50

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W-4 Is 2020 AND Step 2 Box on W-4 is checked

If form W-4 is 2020 AND Step 2 Box is checked, you can use the alternate rates.



Form W-4
Employee's Withholding Certificate
OMB No. 1545-0074
2020

Department of the Treasury
Internal Revenue Service

▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
▶ 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) Single or Married filing separately
 Married filing jointly (or Qualifying widow(er))
 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 2-4 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

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

You will assign Single-ALT, Married-ALT or Head-ALT tables to these employees' Employee Maintenance records.

When using the new alternate rate schedule, note that the standard deduction allowance is \$0.00 (as shown in the **Std Ded Allow** field of the example screens below). For employees who have an alternate table assigned to them, it will not matter how many allowances are listed on their Employee Maintenance record since the deduction allowance is \$0.00.

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Single-ALT (2020 W4) Federal Allowance does not matter; Std Ded Allow = \$0.00

Federal Tax Table

20 - Single-ALT

Table Name	Emp Soc Pct	Empl Soc Pct	Soc Sec Max	Emp Med Pct	Empl Med Pct	Std Ded Allow
20 - Sing...	6.20%	6.20%	\$137,700.00	1.45%	1.45%	\$0.00

Fed Taxes

Amount Over	Amt Not Over	Tax Percent	Tax Fix Amt
\$0.00	\$6,200.00	0.0000%	\$0.00
\$6,200.00	\$11,138.00	10.0000%	\$0.00
\$11,138.00	\$26,263.00	12.0000%	\$493.75
\$26,263.00	\$48,963.00	22.0000%	\$2,308.75
\$48,963.00	\$87,850.00	24.0000%	\$7,302.75
\$87,850.00	\$109,875.00	32.0000%	\$16,635.75
\$109,875.00	\$265,400.00	35.0000%	\$23,683.75
\$265,400.00	\$9,999,999.99	37.0000%	\$78,117.50

Married-ALT (2020 W4) Federal Allowance does not matter; Std Ded Allow = \$0.00

Federal Tax Table

20 - Married-ALT

Table Name	Emp Soc Pct	Empl Soc Pct	Soc Sec Max	Emp Med Pct	Empl Med Pct	Std Ded Allow
20 - Mar...	6.20%	6.20%	\$137,700.00	1.45%	1.45%	\$0.00

Fed Taxes

Amount Over	Amt Not Over	Tax Percent	Tax Fix Amt
\$0.00	\$12,400.00	0.0000%	\$0.00
\$12,400.00	\$22,275.00	10.0000%	\$0.00
\$22,275.00	\$52,525.00	12.0000%	\$987.50
\$52,525.00	\$97,925.00	22.0000%	\$4,617.50
\$97,925.00	\$175,700.00	24.0000%	\$14,605.50
\$175,700.00	\$219,750.00	32.0000%	\$33,271.50
\$219,750.00	\$323,425.00	35.0000%	\$47,367.50
\$323,425.00	\$9,999,999.99	37.0000%	\$83,653.75

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Head-ALT (2020 W4) Federal Allowance does not matter; Std Ded Allow = \$0.00

Federal Tax Table

20 - Head-ALT

20 - Head-ALT

Table Name	Emp Soc Pct	Empl Soc Pct	Soc Sec Max	Emp Med Pct	Empl Med Pct	Std Ded Allow
20 - Hea...	6.20%	6.20%	\$137,700.00	1.45%	1.45%	\$0.00

Fed Taxes					
Amount Over	Amt Not Over	Tax Percent	Tax Fix Amt		
\$0.00	\$9,325.00	0.0000%	\$0.00		
\$9,325.00	\$16,375.00	10.0000%	\$0.00		
\$16,375.00	\$36,175.00	12.0000%	\$705.00		
\$36,175.00	\$52,075.00	22.0000%	\$3,081.00		
\$52,075.00	\$90,975.00	24.0000%	\$6,579.00		
\$90,975.00	\$113,000.00	32.0000%	\$15,915.00		
\$113,000.00	\$268,525.00	35.0000%	\$22,963.00		
\$268,525.00	\$9,999,999.99	37.0000%	\$77,396.75		
*					

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Statement of Non-Disclosure

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