

# 1. Percentage Method Tables for Automated Payroll Systems

to figure federal income tax withholding. This method works for Forms W-4 for all prior, current, and future years. This method also works for any amount of wages. If the Form W-4 is from 2019 or earlier, this method works for any number of withholding allowances claimed.

If you have an automated payroll system, use the worksheet below and the Percentage Method tables that follow

## Worksheet 1. Employer's Withholding Worksheet for Percentage Method Tables for Automated Payroll Systems

Keep for Your Records 

Table 3	Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily
	2	4	12	24	26	52	260

### Step 1. Adjust the employee's payment amount

- 1a Enter the employee's total taxable wages this payroll period ..... 1a \$ \_\_\_\_\_
- 1b Enter the number of pay periods you have per year (see Table 3) ..... 1b \_\_\_\_\_
- 1c Multiply the amount on line 1a by the number on line 1b ..... 1c \$ \_\_\_\_\_

If the employee **HAS** submitted a Form W-4 for 2020 or later, figure the Adjusted Annual Wage Amount as follows:

- 1d Enter the amount from Step 4(a) of the employee's Form W-4 ..... 1d \$ \_\_\_\_\_
- 1e Add lines 1c and 1d ..... 1e \$ \_\_\_\_\_
- 1f Enter the amount from Step 4(b) of the employee's Form W-4 ..... 1f \$ \_\_\_\_\_
- 1g If the box in Step 2 of Form W-4 is checked, enter -0-. If the box is not checked, enter \$12,900 if the taxpayer is married filing jointly or \$8,600 otherwise ..... 1g \$ \_\_\_\_\_
- 1h Add lines 1f and 1g ..... 1h \$ \_\_\_\_\_
- 1i Subtract line 1h from line 1e. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** ..... 1i \$ \_\_\_\_\_

If the employee **HAS NOT** submitted a Form W-4 for 2020 or later, figure the Adjusted Annual Wage Amount as follows:

- 1j Enter the number of allowances claimed on the employee's most recent Form W-4 ..... 1j \_\_\_\_\_
- 1k Multiply line 1j by \$4,300 ..... 1k \$ \_\_\_\_\_
- 1l Subtract line 1k from line 1c. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** ..... 1l \$ \_\_\_\_\_

### Step 2. Figure the Tentative Withholding Amount

based on the employee's Adjusted Annual Wage Amount; filing status (Step 1(c) of the 2020 or later Form W-4) or marital status (line 3 of Form W-4 from 2019 or earlier); and whether the box in Step 2 of 2020 or later Form W-4 is checked.

**Note.** Don't use the Head of Household table if the Form W-4 is from 2019 or earlier.

- 2a Enter the employee's **Adjusted Annual Wage Amount** from line 1i or 1l above ..... 2a \$ \_\_\_\_\_
- 2b Find the row in the appropriate **Annual Percentage Method** table in which the amount on line 2a is at least the amount in column A but less than the amount in column B, then enter here the amount from column A of that row ..... 2b \$ \_\_\_\_\_
- 2c Enter the amount from column C of that row ..... 2c \$ \_\_\_\_\_
- 2d Enter the percentage from column D of that row ..... 2d \_\_\_\_\_ %
- 2e Subtract line 2b from line 2a ..... 2e \$ \_\_\_\_\_
- 2f Multiply the amount on line 2e by the percentage on line 2d ..... 2f \$ \_\_\_\_\_
- 2g Add lines 2c and 2f ..... 2g \$ \_\_\_\_\_
- 2h Divide the amount on line 2g by the number of pay periods on line 1b. This is the **Tentative Withholding Amount** ..... 2h \$ \_\_\_\_\_

### Step 3. Account for tax credits

- 3a If the employee's Form W-4 is from 2020 or later, enter the amount from Step 3 of that form; otherwise enter -0- ..... 3a \$ \_\_\_\_\_
- 3b Divide the amount on line 3a by the number of pay periods on line 1b ..... 3b \$ \_\_\_\_\_
- 3c Subtract line 3b from line 2h. If zero or less, enter -0- ..... 3c \$ \_\_\_\_\_

### Step 4. Figure the final amount to withhold

- 4a Enter the additional amount to withhold from the employee's Form W-4 (Step 4(c) of the 2020 or later form or line 6 on earlier forms) ..... 4a \$ \_\_\_\_\_
- 4b Add lines 3c and 4a. **This is the amount to withhold from the employee's wages this pay period** ..... 4b \$ \_\_\_\_\_

## 2021 Percentage Method Tables for Automated Payroll Systems

STANDARD Withholding Rate Schedules (Use these if the Form W-4 is from 2019 or earlier, or if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is <b>NOT</b> checked)					Form W-4, Step 2, Checkbox, Withholding Rate Schedules (Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is <b>IS</b> checked)				
If the Adjusted Annual Wage Amount (line 2a) is:		The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Annual Wage exceeds—	If the Adjusted Annual Wage Amount (line 2a) is:		The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Annual Wage exceeds—
At least—	But less than—	C	D	E	At least—	But less than—	C	D	E
A	B	C	D	E	A	B	C	D	E
<b>Married Filing Jointly</b>					<b>Married Filing Jointly</b>				
\$0	\$12,200	\$0.00	0%	\$0	\$0	\$12,550	\$0.00	0%	\$0
\$12,200	\$32,100	\$0.00	10%	\$12,200	\$12,550	\$22,500	\$0.00	10%	\$12,550
\$32,100	\$93,250	\$1,990.00	12%	\$32,100	\$22,500	\$53,075	\$995.00	12%	\$22,500
\$93,250	\$184,950	\$9,328.00	22%	\$93,250	\$53,075	\$98,925	\$4,664.00	22%	\$53,075
\$184,950	\$342,050	\$29,502.00	24%	\$184,950	\$98,925	\$177,475	\$14,751.00	24%	\$98,925
\$342,050	\$431,050	\$67,206.00	32%	\$342,050	\$177,475	\$221,975	\$33,603.00	32%	\$177,475
\$431,050	\$640,500	\$95,686.00	35%	\$431,050	\$221,975	\$326,700	\$47,843.00	35%	\$221,975
\$640,500		\$168,993.50	37%	\$640,500	\$326,700		\$84,496.75	37%	\$326,700
<b>Single or Married Filing Separately</b>					<b>Single or Married Filing Separately</b>				
\$0	\$3,950	\$0.00	0%	\$0	\$0	\$6,275	\$0.00	0%	\$0
\$3,950	\$13,900	\$0.00	10%	\$3,950	\$6,275	\$11,250	\$0.00	10%	\$6,275
\$13,900	\$44,475	\$995.00	12%	\$13,900	\$11,250	\$26,538	\$497.50	12%	\$11,250
\$44,475	\$90,325	\$4,664.00	22%	\$44,475	\$26,538	\$49,463	\$2,332.00	22%	\$26,538
\$90,325	\$168,875	\$14,751.00	24%	\$90,325	\$49,463	\$88,738	\$7,375.50	24%	\$49,463
\$168,875	\$213,375	\$33,603.00	32%	\$168,875	\$88,738	\$110,988	\$16,801.50	32%	\$88,738
\$213,375	\$527,550	\$47,843.00	35%	\$213,375	\$110,988	\$268,075	\$23,921.50	35%	\$110,988
\$527,550		\$157,804.25	37%	\$527,550	\$268,075		\$78,902.13	37%	\$268,075
<b>Head of Household</b>					<b>Head of Household</b>				
\$0	\$10,200	\$0.00	0%	\$0	\$0	\$9,400	\$0.00	0%	\$0
\$10,200	\$24,400	\$0.00	10%	\$10,200	\$9,400	\$16,500	\$0.00	10%	\$9,400
\$24,400	\$64,400	\$1,420.00	12%	\$24,400	\$16,500	\$36,500	\$710.00	12%	\$16,500
\$64,400	\$96,550	\$6,220.00	22%	\$64,400	\$36,500	\$52,575	\$3,110.00	22%	\$36,500
\$96,550	\$175,100	\$13,293.00	24%	\$96,550	\$52,575	\$91,850	\$6,646.50	24%	\$52,575
\$175,100	\$219,600	\$32,145.00	32%	\$175,100	\$91,850	\$114,100	\$16,072.50	32%	\$91,850
\$219,600	\$533,800	\$46,385.00	35%	\$219,600	\$114,100	\$271,200	\$23,192.50	35%	\$114,100
\$533,800		\$156,355.00	37%	\$533,800	\$271,200		\$78,177.50	37%	\$271,200