



**LOS ANGELES UNIFIED SCHOOL DISTRICT
POLICY BULLETIN**

TITLE: Withholding for Federal Income Tax

NUMBER: BUL-1520.7

ISSUER: V. Luis Buendia, Controller
Accounting and Disbursements Division

DATE: February 5, 2020

ROUTING
All Schools and Offices
Administrators
Time Reporters

POLICY: To provide employees with information regarding the current withholding tables for Federal Income Tax for the 2020 calendar year.

MAJOR CHANGES: This revision replaces Bulletin No. 1520.6 of the same subject issued on January 18, 2019. The content reflects changes in the withholding tables for Federal Income Tax for the 2020 calendar year. Administrators are requested to post this bulletin at their site or provide a copy of this bulletin to each employee.

GUIDELINES: The following guidelines apply:

I. BACKGROUND

The 2020 Form W4, Employee’s Withholding Certificate, has been significantly changed with the intent that the amount of tax withheld during the year will more closely match the employee’s ultimate personal income tax liability for the year. The Internal Revenue Service (IRS) revised the form to comply with the income tax withholding requirements in the Tax Cuts and Jobs Act (TCJA Public Law 115-97). Allowances are no longer used for the redesigned Form W-4. In the past, the value of a withholding allowance was tied to the amount of the personal exemption. Due to changes in law, personal and dependent exemptions are no longer used. See IRS Bulletin 15-T for more information on Form W-4.

Effective January 1, 2020, the Federal Income Tax withholding tables were revised. The District uses a withholding table based on the monthly and semi-monthly payroll period withholding tables in the Employer’s Tax Guide published by the Internal Revenue Service.

II. FORM W-4 (EMPLOYEE’S FEDERAL WITHHOLDING ALLOWANCE CERTIFICATE)

Employees who wish to increase or decrease the amount of Federal Income Tax withholding can make the changes on line at <https://ess.lausd.net>. Instructions on how to view/update withholdings for Form W-4 via Employee Self-Service is available at the Payroll Administration website, LAUSD MyPay.

If claiming an exempt status, 2020 Form W-4 must be completed and can be downloaded from the Payroll Administration website, W2/Tax Info. Generally,



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a Form W-4 received by the Payroll Administration Branch on or before the 10th of the month will be effective for the next payday. Failure to complete Form W-4 accurately may result in overwithholding or underwithholding of taxes from salary payments. Any excess withholding due to an inaccurate W-4 cannot be refunded by the District. Withholding is calculated by the following form.

	Monthly	Semimonthly	
Table 3	12	24	

Step 1. Adjust the employee's wage 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 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 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, 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 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 \$ _____



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2020 Percentage Method Tables for Automated Payroll Systems

STANDARD Withholding Rate Schedules <small>(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 NOT checked)</small>					Form W-4, Step 2, Checkbox, Withholding Rate Schedules <small>(Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 IS checked)</small>				
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—				At least—	But less than—			
A	B	C	D	E	A	B	C	D	E
Married Filing Jointly					Married Filing Jointly				
\$0	\$11,900	\$0.00	0%	\$0	\$0	\$12,400	\$0.00	0%	\$0
\$11,900	\$31,650	\$0.00	10%	\$11,900	\$12,400	\$22,275	\$0.00	10%	\$12,400
\$31,650	\$92,150	\$1,975.00	12%	\$31,650	\$22,275	\$52,525	\$987.50	12%	\$22,275
\$92,150	\$182,950	\$9,235.00	22%	\$92,150	\$52,525	\$97,925	\$4,617.50	22%	\$52,525
\$182,950	\$338,500	\$29,211.00	24%	\$182,950	\$97,925	\$175,700	\$14,605.50	24%	\$97,925
\$338,500	\$426,600	\$66,543.00	32%	\$338,500	\$175,700	\$219,750	\$33,271.50	32%	\$175,700
\$426,600	\$633,950	\$94,735.00	35%	\$426,600	\$219,750	\$323,425	\$47,367.50	35%	\$219,750
\$633,950		\$167,307.50	37%	\$633,950	\$323,425		\$83,653.75	37%	\$323,425
Single or Married Filing Separately					Single or Married Filing Separately				
\$0	\$3,800	\$0.00	0%	\$0	\$0	\$6,200	\$0.00	0%	\$0
\$3,800	\$13,675	\$0.00	10%	\$3,800	\$6,200	\$11,138	\$0.00	10%	\$6,200
\$13,675	\$43,925	\$987.50	12%	\$13,675	\$11,138	\$26,263	\$493.75	12%	\$11,138
\$43,925	\$89,325	\$4,617.50	22%	\$43,925	\$26,263	\$48,963	\$2,308.75	22%	\$26,263
\$89,325	\$167,100	\$14,605.50	24%	\$89,325	\$48,963	\$87,850	\$7,302.75	24%	\$48,963
\$167,100	\$211,150	\$33,271.50	32%	\$167,100	\$87,850	\$109,875	\$16,635.75	32%	\$87,850
\$211,150	\$522,200	\$47,367.50	35%	\$211,150	\$109,875	\$265,400	\$23,683.75	35%	\$109,875
\$522,200		\$156,235.00	37%	\$522,200	\$265,400		\$78,117.50	37%	\$265,400
Head of Household					Head of Household				
\$0	\$10,050	\$0.00	0%	\$0	\$0	\$9,325	\$0.00	0%	\$0
\$10,050	\$24,150	\$0.00	10%	\$10,050	\$9,325	\$16,375	\$0.00	10%	\$9,325
\$24,150	\$63,750	\$1,410.00	12%	\$24,150	\$16,375	\$36,175	\$705.00	12%	\$16,375
\$63,750	\$95,550	\$6,162.00	22%	\$63,750	\$36,175	\$52,075	\$3,081.00	22%	\$36,175
\$95,550	\$173,350	\$13,158.00	24%	\$95,550	\$52,075	\$90,975	\$6,579.00	24%	\$52,075
\$173,350	\$217,400	\$31,830.00	32%	\$173,350	\$90,975	\$113,000	\$15,915.00	32%	\$90,975
\$217,400	\$528,450	\$45,926.00	35%	\$217,400	\$113,000	\$268,525	\$22,963.00	35%	\$113,000
\$528,450		\$154,793.50	37%	\$528,450	\$268,525		\$77,396.75	37%	\$268,525

AUTHORITY: Internal Revenue Service.

ASSISTANCE: For additional information regarding tax rates, please contact the Internal Revenue Service or your tax advisor. The Payroll Administration staff is not authorized to provide tax advice.