

FIGURING YOUR FEDERAL TAXES

Effective January 1, 2020

Step 1. Adjust your wage amount

- 1a Enter your total taxable wages this payroll period 1a \$ _____
- 1b Enter the number of pay periods you have per year (Monthly=12, Biweekly=26) 1b _____
- 1c Multiply the amount on line 1a by the number on line 1b 1c \$ _____

If you HAVE submitted a Form W-4 for 2020 or later, figure your Adjusted Annual Wage Amount as follows:

- 1d Enter the amount from Step 4(a) of your Form W-4 1d \$ _____
- 1e Add lines 1c and 1d 1e \$ _____
- 1f Enter the amount from Step 4(b) of your 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 you are 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 your **Adjusted Annual Wage Amount** 1i \$ _____

If you HAVE NOT submitted a Form W-4 for 2020 or later, figure your Adjusted Annual Wage Amount as follows:

- 1j Enter the number of allowances claimed on your 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 your **Adjusted Annual Wage Amount** 1l \$ _____

Step 2. Figure your Tentative Withholding Amount

Based on your 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 your Form W-4 is from 2019 or earlier.

- 2a Enter your **Adjusted Annual Wage Amount** from line 1i or 1l above2a \$ _____
- 2b On the following page, find the row in the appropriate **Annual Percentage Method Tax 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 row2b \$ _____
- 2c Enter the amount from column C of that row2c \$ _____
- 2d Enter the percentage from column D of that row2d _____ %
- 2e Subtract line 2b from line 2a2e \$ _____
- 2f Multiply the amount on line 2e by the percentage on line 2d2f \$ _____
- 2g Add lines 2c and 2f2g \$ _____
- 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 your 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 1b3b \$ _____
- 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 your 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 your wages this pay period.**4b \$ _____

2020 Annual Percentage Method Tax Tables

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 NOT 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 IS 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				A	B			
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

FIGURING YOUR STATE TAXES EFFECTIVE January 1, 2020

Employees paid MONTHLY – Subtract \$395.83 from your Federal taxable monthly gross pay. The remainder is subject to withholding at the rate of 4.25%

Employees paid BIWEEKLY – Subtract \$182.69 from your Federal taxable biweekly gross pay. The remainder is subject to withholding at the rate of 4.25%

2020 FICA TAX

Take your FICA Taxable Gross, displayed at the bottom of your pay stub and apply rates as follows:

The 2020 Social Security (FICA) tax contains two parts. The Social Security (Old Age, Survivors, and Disability Insurance) FICA tax is based on the first \$137,700 paid at the rate of 6.2% with a maximum amount withheld of \$8,537.40. The Medicare (Medical Hospital Insurance) FICA tax is based on all earnings paid at the rate of 1.45%. (There is no limit on the Medicare FICA gross. The limit was eliminated as part of the Omnibus Budget Reduction Act of 1993). In addition to the 1.45% Medicare tax rate an additional 0.9% will be withheld on Medicare wages over \$200,000.

2020 CITY TAXES

Personal and dependency exemptions allowable for Michigan income tax purposes are also allowable for Michigan cities. The annual allowance for all cities is \$600. The allowance equals \$23.08 biweekly or \$50.00 monthly

The rate on taxable earnings is 1% for residents and 0.50% for non-residents. These rates are uniform for all cities except Detroit and Grand Rapids. For Detroit, the rate is 2.4% for residents and 1.2% for non-residents. For Grand Rapids, the rate is 1.5% for residents and 0.75% for non-residents.