

There are 2 Types of Federal Tax Tables in effect for the new year 2020.

Type 1 : Standard Tax Tables:

S - Single or Married Filing Separately

M - Married Filing Jointly

H - Head of Household

Type 2: Step 2 Tax Tables *

X - Single or Married Filing Separately

Y - Married Filing Jointly

Z- Head of Household

Important Note: Head of Household has been added to both Types this year. Before adding it to your Tax Tables, check to see if it already exists as a Type 1 Table. If it exists, it will require updating. If not, then add it. This new 2020 Status could require a change on some Employee's Master File Federal Status.

* The Step 2 Tax Tables are to be added in Tax Table Setup **and** added to the Employees Master File Status, if any **Employee files a new 2020 W-4 form with your office; and checks the Box (Step 2) on it.** Check with your Accountant or the Publication 15 for 2020 on the website gov.com if you have any questions.

If the Employee files a new W-4 form and doesn't check the Box (Step 2) on it, or continues to have you withhold based on the 2019 W-4 (as long as they aren't a 'Head of Household' Tax Filer for 2020, or their Status doesn't change; then use the updated Standard Tax Tables.

Since the Description Fields have changed on these Tables for 2020, so you will also need to update the Standard Tax Table Descriptions in your Deneb Tables currently; and review & correct any Employee's Master File Federal Status, if a Federal Table Change is required for them.

Suggestion: Although having the Employee to File a new W-4 Form isn't required, it might make it easier to correct all the Employee's Master Files, and it will help the Employees to understand their options regarding the Step 2 Box. Checking this Box will increase their withholding to cover a higher annual income due to a spouse working or a second source of taxable income.

Additional Tax Table Setup Information for 2020:

FICA (Social Security) Maximum Increases to: \$ 137,700.00

Employee Rate 6.20 %

Employer Rate 6.20 %

FICA-Medicare Limit: None Rate: 1.45 % ; .90 % over \$200,000.00

You can set the Medicare limit at: 9,999,999.

FUTA EARNINGS LIMIT \$ 7,000.00 Rate: 0.60 %