

**Example on How to Calculate Employee Federal Tax for Payees who **Have Not** Submitted a Form W-4 for 2020 or Later**

**3/04/2022 Pay Date**

① Employee A: Claims Married with 5 Allowances on their W-4 Form

② Total Earnings \$4,806.00

|                                 |          |                 |
|---------------------------------|----------|-----------------|
| ③ Less: Pre-Tax Deductions      |          |                 |
| Reg Retir hire before 7/01/2012 | 288.36   |                 |
| Deferred Compensation           | 1,546.73 |                 |
| Dental Pre Tax                  | 14.76    |                 |
| EUTF PreTax Medical             | 65.42    |                 |
| Prescription Drug Pre Tax       | 15.94    |                 |
| Vision Pre Tax                  | 2.28     | <u>1,933.49</u> |

Total Taxable Federal Wages ④ \$2,872.51

Convert to annual amount  $2,872.51 * 24 = \$68,940.24$

The screenshot shows a web-based form for entering tax data. At the top, there are tabs for 'Federal Tax Data', 'State Tax Data', and 'Local Tax Data'. Below these is a search bar for 'Person ID'. The main form area is titled 'Tax Data' and includes a 'Find | View All' section with 'First', '1 of 1', and 'Last' navigation options. The form contains several sections: 'Company' (SOH) and 'State of Hawaii'; '\*Effective Date' (07/01/1997); 'Updated By' (System) and 'Date Last Updated' (01/15/2020); 'Federal Form Version' (W-4 - 2019 or Earlier); 'Federal Withholding Elements' which includes '\*Special Withholding Tax Status' (None), '\*Tax Status' (Married), a circled '1' next to a checkbox for 'Check here and select Single status if married but withholding at single rate.', 'Withholding Allowances' (5), 'Additional Amount' (\$0.00), 'Additional Percentage' (0.000), and '\*Earned Income Credit Status' (Not applicable); 'Federal Unemployment Tax'; 'W-4 Processing Status'; 'Lock-In Letter Details'; 'State Tax Options'; and 'Tax Treaty/Non-Resident Data'. At the bottom, there are buttons for 'Save', 'Return to Search', 'Notify', 'Refresh', 'Update/Display', 'Include History', and 'Correct History'. The footer shows 'Federal Tax Data | State Tax Data | Local Tax Data'.

State of Hawaii Central Payroll  
P.O. Box 119  
Honolulu, HI 96810

Payroll Number:  
Pay Begin Date: 02/16/2022  
Pay End Date: 02/28/2022

Warrant Dist:  
Advice #:  
Advice Date:

|                                 |   |                                       |                                 |
|---------------------------------|---|---------------------------------------|---------------------------------|
| Self-Service ID:<br>Department: | <b>TAX DATA:</b><br>Marital Status: Married<br>Allowances: 5<br>Addl. Percent: N/A<br>Addl. Amount: | <b>Federal</b><br>Married<br>5<br>N/A | <b>HI State</b><br>Married<br>5 |
|---------------------------------|---|---------------------------------------|---------------------------------|

| HOURS AND EARNINGS |      |               |          |       |              | TAXES           |         |          |
|--------------------|------|---------------|----------|-------|--------------|-----------------|---------|----------|
| Description        | Rate | Current Hours | Earnings | Hours | YTD Earnings | Description     | Current | YTD      |
| Regular            |      |               | 4,806.00 |       | 23,586.36    | Fed OASDI/FEE   | 291.88  | 1,451.92 |
| Vacation           |      |               | 0.00     | 8.00  | 443.64       | Fed MEDVEE      | 68.26   | 339.56   |
|                    |      |               |          |       |              | Fed Withholding | 155.08  | 784.20   |
|                    |      |               |          |       |              | HI Withholding  | 182.90  | 908.58   |
| <b>TOTAL:</b>      |      | 0.00          | 4,806.00 | 8.00  | 24,030.00    | <b>TOTAL:</b>   | 698.12  | 3,484.26 |

| BEFORE-TAX DEDUCTIONS          |          |          | AFTER-TAX DEDUCTIONS       |         |       | EMPLOYER PAID BENEFITS          |          |          |
|--------------------------------|----------|----------|----------------------------|---------|-------|---------------------------------|----------|----------|
| Description                    | Current  | YTD      | Description                | Current | YTD   | Description                     | Current  | YTD      |
| Reg Retir hire before 7/1/2012 | 288.36   | 1,441.80 | Employee Organization HGEA | 17.50   | 87.50 | ERS All Oth Active prior 7/1/12 | 1,153.44 | 5,767.20 |
| Deferred Compensation          | 1,546.73 | 7,691.65 |                            |         |       | Employer Prescription Drug      | 85.60    | 428.00   |
| Dental Pre Tax                 | 14.76    | 73.80    |                            |         |       | Employer State Vision Care      | 3.42     | 17.10    |
| EUTF PreTax Medical            | 65.42    | 327.10   |                            |         |       | Employer State Dental Plan      | 22.14    | 110.70   |
| Prescription Drug Pre Tax      | 15.94    | 79.70    |                            |         |       | UI Assessments                  | 3.36     | 16.80    |
| Vision Pre Tax                 | 2.28     | 11.40    |                            |         |       | Employer State Medical          | 351.24   | 1,756.20 |
| DAGS Automotive Pre Tax Prkg   | 0.00     | 120.00   |                            |         |       | Workers Comp                    | 67.28    | 336.40   |
|                                |          |          |                            |         |       | Employer State Grp Life Insur   | 2.06     | 10.30    |
|                                |          |          |                            |         |       | Retiroe Health Insurance        | 532.02   | 2,660.10 |
|                                |          |          |                            |         |       | Pension Administration          | 2.40     | 12.00    |
| <b>TOTAL:</b>                  | 1,933.49 | 9,945.45 | <b>TOTAL:</b>              | 17.50   | 87.50 | <b>*TAXABLE</b>                 |          |          |

|         | TOTAL GROSS | FED TAXABLE GROSS | TOTAL TAXES | TOTAL DEDUCTIONS | NET PAY   |
|---------|-------------|-------------------|-------------|------------------|-----------|
| Current | 4,806.00    | 2,872.51          | 698.12      | 1,950.99         | 2,156.89  |
| YTD     | 24,030.00   | 14,284.55         | 3,484.26    | 9,832.95         | 10,712.79 |

③

| Deduction Type | Description             | Soc Sec Tax | Medicare Tax | State Tax | Federal Tax | Soc Sec Gross | Medicare Gross | State Tax Gross | Fed Tax Gross |
|----------------|-------------------------|-------------|--------------|-----------|-------------|---------------|----------------|-----------------|---------------|
| AP             | Tax Shelter Annuity     | N/A         | N/A          | Pre-Tax   | Pre-Tax     | N/A           | N/A            | Reduce          | Reduce        |
| AR             | Regular Retirement      | N/A         | N/A          | N/A       | N/A         | N/A           | N/A            | N/A             | Reduce        |
| AR             | Additional Retirement   | N/A         | N/A          | N/A       | Pre-Tax     | N/A           | N/A            | N/A             | Reduce        |
| DC             | Deferred Comp           | N/A         | N/A          | Pre-Tax   | Pre-Tax     | N/A           | N/A            | Reduce          | Reduce        |
| DR             | Adult Dental - PCP      | Pre-Tax     | Pre-Tax      | Pre-Tax   | Pre-Tax     | Reduce        | Reduce         | Reduce          | Reduce        |
| FA             | Flex Spending Admin Fee | Pre-Tax     | Pre-Tax      | Pre-Tax   | Pre-Tax     | Reduce        | Reduce         | Reduce          | Reduce        |
| FD             | Flex Spending Dep Care  | Pre-Tax     | Pre-Tax      | Pre-Tax   | Pre-Tax     | Reduce        | Reduce         | Reduce          | Reduce        |
| FM             | Flex Spending Medical   | Pre-Tax     | Pre-Tax      | Pre-Tax   | Pre-Tax     | Reduce        | Reduce         | Reduce          | Reduce        |
| MR             | Medical - PCP           | Pre-Tax     | Pre-Tax      | Pre-Tax   | Pre-Tax     | Reduce        | Reduce         | Reduce          | Reduce        |
| PR             | Prescrt Drug - PCP      | Pre-Tax     | Pre-Tax      | Pre-Tax   | Pre-Tax     | Reduce        | Reduce         | Reduce          | Reduce        |
| TB             | Trans Fringe Ben        | Pre-Tax     | Pre-Tax      | Pre-Tax   | Pre-Tax     | Reduce        | Reduce         | Reduce          | Reduce        |
| VR             | Vision Care - PCP       | Pre-Tax     | Pre-Tax      | Pre-Tax   | Pre-Tax     | Reduce        | Reduce         | Reduce          | Reduce        |


# 1. Percentage Method Tables for Automated Payroll Systems and Withholding on Periodic Payments of Pensions and Annuities

If you're an employer with an automated payroll system, use Worksheet 1A and the Percentage Method tables in this section 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're a payer making periodic payments of pensions and annuities, use Worksheet 1B and the Percentage Method tables in this section to figure federal income tax withholding. This method works for Forms W-4P for all prior, current, and future years. If a payer is figuring withholding on periodic payments based on a 2021 or earlier Form W-4P, the payer may also figure withholding using the methods described in [section 3](#) and [section 5](#).

## Worksheet 1A. 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 \$ 2,872.51

1b Enter the number of pay periods you have per year (see Table 3) ..... 1b 24

1c Multiply the amount on line 1a by the number on line 1b ..... 1c \$ 68,940.24

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 \$ 0.00

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 5

1k Multiply line 1j by \$4,300 ..... 1k \$ 21,500.00

1l Subtract line 1k from line 1c. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** ..... 1l \$ 47,440.24

**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 \$ 47,440.24

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 \$ 33,550.00

2c Enter the amount from column C of that row ..... 2c \$ 2,055.00

2d Enter the percentage from column D of that row ..... 2d 12%

2e Subtract line 2b from line 2a ..... 2e \$ 13,890.24

2f Multiply the amount on line 2e by the percentage on line 2d ..... 2f \$ 1,666.82

2g Add lines 2c and 2f ..... 2g \$ 3,721.82

2h Divide the amount on line 2g by the number of pay periods on line 1b. This is the **Tentative Withholding Amount** ..... 2h \$ 155.08

**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 \$ 0.00

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 \$ 155.08

**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 \$ 155.08

**2022 Percentage Method Tables for Automated Payroll Systems and Withholding on Periodic Payments of Pensions and Annuities**

| STANDARD Withholding Rate Schedules<br><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. Also use these for Form W-4P from any year.)</small> |                |                                      |                       |   | Form W-4, Step 2, Checkbox, Withholding Rate Schedules<br><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 on Worksheet 1A or the Adjusted Annual Payment Amount on Worksheet 1B is:  |                |                                      |                       |   | If the Adjusted Annual Wage Amount on Worksheet 1A is:  |                |                                      |                       |  |
| At least—   | But less than— | The tentative amount to withhold is: | Plus this percentage— | of the amount that the Adjusted Annual Wage or Payment exceeds— | At least—   | But less than— | The tentative amount to withhold is: | Plus this percentage— | of the amount that the Adjusted Annual Wage exceeds— |
| A   | B              | C                                    | D                     | E   | A   | B              | C                                    | D                     | E  |
| <b>Married Filing Jointly</b>   |                |                                      |                       |   | <b>Married Filing Jointly</b>   |                |                                      |                       |  |
| \$0   | \$13,000       | \$0.00                               | 0%                    | \$0   | \$0   | \$12,950       | \$0.00                               | 0%                    | \$0  |
| \$13,000  | \$33,550       | \$0.00                               | 10%                   | \$13,000  | \$12,950  | \$23,225       | \$0.00                               | 10%                   | \$12,950   |
| \$33,550  | \$96,550       | \$2,055.00                           | 12%                   | \$33,550  | \$23,225  | \$54,725       | \$1,027.50                           | 12%                   | \$23,225   |
| \$96,550  | \$191,150      | \$9,615.00                           | 22%                   | \$96,550  | \$54,725  | \$102,025      | \$4,807.50                           | 22%                   | \$54,725   |
| \$191,150   | \$353,100      | \$30,427.00                          | 24%                   | \$191,150   | \$102,025   | \$183,000      | \$15,213.50                          | 24%                   | \$102,025  |
| \$353,100   | \$444,900      | \$69,295.00                          | 32%                   | \$353,100   | \$183,000   | \$228,900      | \$34,647.50                          | 32%                   | \$183,000  |
| \$444,900   | \$660,850      | \$98,671.00                          | 35%                   | \$444,900   | \$228,900   | \$336,875      | \$49,335.50                          | 35%                   | \$228,900  |
| \$660,850   |                | \$174,253.50                         | 37%                   | \$660,850   | \$336,875   |                | \$87,126.75                          | 37%                   | \$336,875  |
| <b>Single or Married Filing Separately</b>  |                |                                      |                       |   | <b>Single or Married Filing Separately</b>  |                |                                      |                       |  |
| \$0   | \$4,350        | \$0.00                               | 0%                    | \$0   | \$0   | \$6,475        | \$0.00                               | 0%                    | \$0  |
| \$4,350   | \$14,625       | \$0.00                               | 10%                   | \$4,350   | \$6,475   | \$11,613       | \$0.00                               | 10%                   | \$6,475  |
| \$14,625  | \$46,125       | \$1,027.50                           | 12%                   | \$14,625  | \$11,613  | \$27,363       | \$513.75                             | 12%                   | \$11,613   |
| \$46,125  | \$93,425       | \$4,807.50                           | 22%                   | \$46,125  | \$27,363  | \$51,013       | \$2,403.75                           | 22%                   | \$27,363   |
| \$93,425  | \$174,400      | \$15,213.50                          | 24%                   | \$93,425  | \$51,013  | \$91,500       | \$7,606.75                           | 24%                   | \$51,013   |
| \$174,400   | \$220,300      | \$34,647.50                          | 32%                   | \$174,400   | \$91,500  | \$114,450      | \$17,323.75                          | 32%                   | \$91,500   |
| \$220,300   | \$544,250      | \$49,335.50                          | 35%                   | \$220,300   | \$114,450   | \$276,425      | \$24,667.75                          | 35%                   | \$114,450  |
| \$544,250   |                | \$162,718.00                         | 37%                   | \$544,250   | \$276,425   |                | \$81,359.00                          | 37%                   | \$276,425  |
| <b>Head of Household</b>  |                |                                      |                       |   | <b>Head of Household</b>  |                |                                      |                       |  |
| \$0   | \$10,800       | \$0.00                               | 0%                    | \$0   | \$0   | \$9,700        | \$0.00                               | 0%                    | \$0  |
| \$10,800  | \$25,450       | \$0.00                               | 10%                   | \$10,800  | \$9,700   | \$17,025       | \$0.00                               | 10%                   | \$9,700  |
| \$25,450  | \$66,700       | \$1,465.00                           | 12%                   | \$25,450  | \$17,025  | \$37,650       | \$732.50                             | 12%                   | \$17,025   |
| \$66,700  | \$99,850       | \$6,415.00                           | 22%                   | \$66,700  | \$37,650  | \$54,225       | \$3,207.50                           | 22%                   | \$37,650   |
| \$99,850  | \$180,850      | \$13,708.00                          | 24%                   | \$99,850  | \$54,225  | \$94,725       | \$6,854.00                           | 24%                   | \$54,225   |
| \$180,850   | \$226,750      | \$33,148.00                          | 32%                   | \$180,850   | \$94,725  | \$117,675      | \$16,574.00                          | 32%                   | \$94,725   |
| \$226,750   | \$550,700      | \$47,836.00                          | 35%                   | \$226,750   | \$117,675   | \$279,650      | \$23,918.00                          | 35%                   | \$117,675  |
| \$550,700   |                | \$161,218.50                         | 37%                   | \$550,700   | \$279,650   |                | \$80,609.25                          | 37%                   | \$279,650  |