

Example on How to Calculate Employee Federal Tax for Payees who **Have Submitted a Form W-4 for 2020 or Later**

3/04/2022 Pay Date

- ① Employee A: Claims Single and 0 allowances on their W-4 Form
- ② Total Earnings \$1,778.50
- ③ Less: Pre-Tax Deductions 142.28
 - Reg Retir hire after 6/30/2012
- Total Taxable Federal Wages ④ \$1,636.22
- Convert to annual amount $\$1,636.22 * 24 = \$39,269.28$

The screenshot shows a web-based tax data entry interface. At the top, there are tabs for 'Federal Tax Data', 'State Tax Data', and 'Local Tax Data', with 'Federal Tax Data' being the active tab. Below the tabs, there's a 'Person ID' field. The main section is titled 'Tax Data' and includes a search bar with 'Find | View All' and pagination 'First 1 of 1 Last'. The form contains several sections:

- Company Information:** Company SOH, State of Hawaii. Effective Date: 09/20/2021. Updated By: System. Date Last Updated: 01/03/2022.
- Federal Form Version:** A dropdown menu showing 'W-4 - 2020 or Later'.
- Federal Withholding Elements:**
 - *Special Withholding Tax Status: None
 - *Tax Status: Single (with a circled '1' next to it)
 - Multiple Jobs or Spouse Works
 - Dependent Amount: \$0.00
 - Other Income: \$0.00
 - Deductions: \$0.00
 - Extra Withholding: \$0.00
- Other Sections (collapsible):** Federal Unemployment Tax, W-4 Processing Status, Lock-In Letter Details, State Tax Options, Tax Treaty/Non-Resident Data.

State of Hawaii Central Payroll P.O. Box 119 Honolulu, HI 96810		##PAYROLL Payroll Number: Pay Begin Date: 02/01/2022 Pay End Date: 02/15/2022		Warrant Dist: Advice #: 03/04/2022 Advice Date:					
Self-Service ID: Department: SOH-State of Hawaii		TAX DATA: Federal HI State Marital Status: Single Single Allowances: N/A N/A AdM. Percent: N/A AdM. Amount:							
HOURS AND EARNINGS			TAXES						
Description	Rate	Current Hours	Earnings	Hours	YTD Earnings	Description	Current	YTD	
Regular			1,778.50		8,877.11	Fed OASD/EE	110.27	551.54	
Sick			0.00	0.75	15.39	Fed MED/EE	25.79	128.94	
						Fed Withholding	123.03	624.23	
						HI Withholding	116.42	582.10	
TOTAL:		0.00	1,778.50	0.75	8,892.50	TOTAL:	375.51	1,886.61	
BEFORE-TAX DEDUCTIONS			AFTER-TAX DEDUCTIONS			EMPLOYER PAID BENEFITS			
Description	Current	YTD	Description	Current	YTD	Description	Current	YTD	
Reg Retir hire after 6/30/2012	142.28	711.40	Adult Dental Plan 701	7.38	36.90	ERS All Oth Ad 6/30/12	426.84	2,134.20	
			HIUF Post Tax Medical	35.18	178.90	Retiree Health Ins IR aft 2012	190.88	984.40	
			Vision Post Tax 701	1.23	6.15	Pension Administration aft 2012	0.89	4.45	
						Employer State Vision Care	1.84	9.20	
						Employer State Dental Plan	11.07	55.35	
						UI Assessments	1.24	6.20	
						Employer State Medical	188.86	944.30	
						Workers Comp	24.90	124.50	
						Employer State Grp Life Insur	2.06	10.30	
TOTAL:	142.28	711.40	TOTAL:	43.79	218.95	*TAXABLE			
TOTAL GROSS			FED-TAXABLE GROSS			TOTAL TAXES			
Current	1,778.50	1,636.22	TOTAL TAXES	375.51	186.07	TOTAL DEDUCTIONS	930.35	1,216.92	
YTD	8,892.50	8,181.10	TOTAL TAXES	1,886.61	930.35	NET PAY		6,075.54	
YEAR-TO-DATE VACATION LEAVE SICK LEAVE			NET PAY DISTRIBUTION						
Start Balance	48.00	41.25	Payment Type	Account Type	Account Number	Deposit Amount			
+ Earned	14.00	14.00	Checking			50.00			
- Taken	0.00	0.00	Checking			1,166.92			
+ Adjustments	0.00	0.00	TOTAL:						1,216.92
End Balance	62.00	55.25							

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RETIREMENT, TAX SHELTER ANNUITY, DEFERRED COMPENSATION, AND PRE-TAX PAYROLL DEDUCTIONS										
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 \$ 1,636.22

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 \$ 39,269.28

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 \$ 39,269.28

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 \$ 8,600.00

1h Add lines 1f and 1g 1h \$ 8,600.00

1i Subtract line 1h from line 1e. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** 1i \$ 30,669.28

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 \$ 30,669.28

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 \$ 14,625.00

2c Enter the amount from column C of that row 2c \$ 1,027.50

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

2e Subtract line 2b from line 2a 2e \$ 16,044.28

2f Multiply the amount on line 2e by the percentage on line 2d 2f \$ 1,925.31

2g Add lines 2c and 2f 2g \$ 2,952.81

2h Divide the amount on line 2g by the number of pay periods on line 1b. This is the **Tentative Withholding Amount** 2h \$ 123.03

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 \$ 123.03

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 \$ 123.03

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

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. Also use these for Form W-4P from any year.)</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 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
Married Filing Jointly					Married Filing Jointly				
\$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
Single or Married Filing Separately					Single or Married Filing Separately				
\$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	\$27,383	\$513.75	12%	\$11,613
\$46,125	\$93,425	\$4,807.50	22%	\$46,125	\$27,383	\$51,013	\$2,403.75	22%	\$27,383
\$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
Head of Household					Head of Household				
\$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	\$1,485.00	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