

AMERICAN PAYROLL ASSOCIATION

August 23, 2021

Mr. Victor Aledo
Director, Tax Forms and Publications
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224
Victor.Aledo@irs.gov

Re: Recommendation for the IRS Form W-4, *Employee's Withholding Certificate*

Dear Mr. Aledo:

The American Payroll Association (APA)¹ recommends that the IRS create a Form W-4SN, *Employee's Withholding Certificate — Single Job, No Dependents*, for employees whose situation would allow them simply to complete Form W-4, *Employee's Withholding Certificate*, Steps 1, 4(c), and 5, with a six-month effective date to allow for payroll software adjustments, payroll training, and employee awareness.

Payroll professionals report that employees continue to struggle with completing the Form W-4 and understanding the instructions, frequently completing the form in error or in a manner that makes it invalid. The APA believes that a simplified version using Steps 1, 4(c), and 5 can be implemented effectively for improved accuracy and without creating confusion for employees.

Explanation of Recommendation

Following passage of the Tax Cuts and Jobs Act, the APA worked closely with the IRS in the development of a new Form W-4 and related instructions. With the requirements established by Congress, the form necessarily became more complicated; yet the instructions allow employees just to complete Sections 1 and 5 if their situation allows.

¹ Established in 1982, APA is a not-for-profit association serving the interests of more than 20,000 payroll professionals nationwide. APA's primary mission is to educate its members and the payroll industry about best practices associated with paying America's workers while complying with applicable federal, state, and local laws and regulations. APA members are directly responsible for calculating wages and employment taxes for their employers.

However, when employees see the Form W-4 and instructions, they are overwhelmed by the complexity of the form and instructions even if they do not need to complete all of the steps.

A simplified version of Form W-4, discussed during the initial stakeholder engagement, was rejected because of the complication of programming and tracking. By maintaining the same lines and boxes as found on Form W-4 in a Form W-4SN version, issues with programming and tracking can be greatly reduced.

Attached is a sample Form W-4SN provided for purposes of explaining APA's recommendation. The sample does not imply that the IRS adopt the design, format, or language. The language APA included is the same as the existing 2021 Form W-4 and IRS Publication 15-T, *Federal Income Tax Withholding Methods* (For use in 2021). The APA understands that consideration of this recommendation will take time, thus the sample does not include specific dates.

The APA would be pleased to discuss this recommendation further with the IRS and to share more information on employees' issues with filling out the current Form W-4, as brought to the attention of payroll professionals.

Sincerely,



Alice P. Jacobsohn, Esq.
Director, Government Relations

For the APA Government Relations Task Force Subcommittee on Federal Issues:
Cochairs Rebecca Harshberger, CPP, and Jon Schausten, CPP

Cc: Joseph Guillen, National Public Liaison Office, IRS, joseph.m.guillen@irs.gov

Single Job, No Dependents Employee's Withholding Certificate

Form **W-4SN**

Department of the Treasury
Internal Revenue Service

▶ Complete Form W-4SN so your employer can withhold the correct federal income tax from your pay.
▶ Give Form W-4SN to your employer.
▶ Your withholding is subject to review by the IRS.

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Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
	City or town, state, and ZIP code		
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying widow(er) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

Step 4 (optional): Other Adjustments

(c) Extra withholding. Enter any additional tax you want withheld each pay period . 4(c) \$

Step 5: Sign Here	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.		
	▶ Employee's signature (This form is not valid unless you sign it.)	▶ Date	
Employers Only	Employer's name and address	First date of employment	Employer identification number (EIN)

The Form W-4SN matches the steps found in the more detailed Form W-4 in an easier format for employees with simple federal tax situations.

You may complete this Form W-4SN instead of the full Form W-4 if you (1) DO NOT hold more than one job at a time, or (2) if you ARE NOT married filing jointly and your spouse also works; and DO NOT have any dependents.

General Instructions

Future Developments

For the latest information about developments related to Form W-4SN, such as legislation enacted after it was published, go to www.irs.gov/FormW4.

Purpose of Form

Complete Form W-4SN so that your employer can withhold the correct federal income tax from your pay. If too little is withheld, you will generally owe tax when you file your tax return

and may owe a penalty. If too much is withheld, you will generally be due a refund. Complete a new Form W-4 or Form W-4SN when changes to your personal or financial situation would change the entries on the form. For more information on withholding and when you must furnish a new Form W-4 or Form W-4SN, see Pub. 505, Tax Withholding and Estimated Tax.

For employees who don't complete steps other than Step 1 and Step 5, employers withhold the amount based on filing status, wage amounts, and payroll period. But see *Exemption from*

withholding, and Specific Instructions, Step 4(c) optional), below.

Exemption from withholding. You may claim exemption from withholding for [REDACTED] if you meet both of the following conditions: you had no federal income tax liability in [REDACTED] and you expect to have no federal income tax liability in [REDACTED]. You had no federal income tax liability in [REDACTED] if (1) your total tax on line 24 on your [REDACTED] Form 1040 or 1040-SR is zero (or less than the sum of lines 27, 28, 29, and 30), or (2) you were not required to file a return because your income was below the filing threshold for your correct filing status. If you claim exemption, you will have no income tax withheld from your paycheck and may owe taxes and penalties when you file your [REDACTED] tax return. To claim exemption from withholding, certify that you meet both of the conditions above by writing “Exempt” on Form W-4SN in the space below Step 4(c). Then, complete Steps 1(a), 1(b), and 5. Do not complete any other steps. You will need to submit a new Form W-4SN by [REDACTED].

Nonresident alien. If you’re a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Specific Instructions

Step 1(c). Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

Step 4(c) (optional). Enter in this step any additional tax you want withheld from your pay each pay period. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.