## 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



Tal	ble 3	Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily		
		2	4	12	24	26	52	260		
Step 1.	<b>Adj</b> 1a	just the employe	e's payment a	imount	ayroll period				1.	\$
	1b									Ψ
	1c	b Enter the number of pay periods you have per year (see Table 3)								\$
If the	emplo	ovee <b>HAS</b> submitte	ed a Form W-4	for 2020 or later	. figure the Adjuste	ed Annual Wage	Amount as follo	ows:		
	1d	ployee <b>HAS</b> submitted a Form W-4 for 2020 or later, figure the Adjusted Annual Wage Amount as follows:  d Enter the amount from Step 4(a) of the employee's Form W-4							1d	\$
	1e								1e	\$
	1f	Enter the amoun	t from Step 4(b	) of the employe	e'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								¢
	4 14	is married filing jo	ointly or \$8,600	otherwise					1g	Φ
										\$
	1i	Subtract line In	from line Te. If 2	zero or iess, ente	er -0 This is the A	ajustea Annua	ıı wage Amour	π	1i	\$
If the	emplo	oyee <b>HAS NOT</b> su	bmitted a Form	n W-4 for 2020 o	r later, figure the A	djusted Annual	Wage Amount a	as follows:		
	1j				employee's most r				1j	
	1k	Multiply line 1j by	/ \$4,300						1k	\$
	11	Subtract line 1k f	from line 1c. If a	zero or less, ente	er -0 This is the A	diusted Annua	l Wage Amour	nt	41	\$
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