

## How Do I Update My Federal Tax Tables?

### Where do I find the tax tables?

For Federal tax tables, you will need the current [Publication 15](#) "Circular E Employer's Tax Guide" and [Publication 15-T](#) "Federal Income Tax Withholding Methods" from the [IRS](#).

### Which tables do I use?

PowerChurch Plus uses the Percentage Method for calculating taxes on an annualized basis. Therefore, use the "Percentage Method Tables for Automated Payroll Systems" shown below.

Note that the figures shown in this document are for demonstration purposes only, and may not be current. Please consult the current publication for the most up-to-date information. Though the figures change periodically, the method of calculation should remain the same. If the calculation method has changed please notify the [webmaster](#).

| 2020 Percentage Method Tables for Automated Payroll Systems  |                |                                      |                       |  |   |                |                                      |                       |  |
|--|----------------|--------------------------------------|-----------------------|--|---|----------------|--------------------------------------|-----------------------|--|
| 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)</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 (line 2a) is:   |                | The tentative amount to withhold is: | Plus this percentage— | of the amount that the Adjusted Annual Wage exceeds— | If the Adjusted Annual Wage Amount (line 2a) is:  |                | The tentative amount to withhold is: | Plus this percentage— | of the amount that the Adjusted Annual Wage exceeds— |
| At least—  | But less than— |                                      |                       |  | At least—   | But less than— |                                      |                       |  |
| A  | B              | C                                    | D                     | E  | A   | B              | C                                    | D                     | E  |
| <b>Married Filing Jointly</b>  |                |                                      |                       |  | <b>Married Filing Jointly</b>   |                |                                      |                       |  |
| \$0  | \$11,900       | \$0.00                               | 0%                    | \$0  | \$0   | \$12,400       | \$0.00                               | 0%                    | \$0  |
| \$11,900   | \$31,650       | \$0.00                               | 10%                   | \$11,900   | \$12,400  | \$22,275       | \$0.00                               | 10%                   | \$12,400   |
| \$31,650   | \$92,150       | \$1,975.00                           | 12%                   | \$31,650   | \$22,275  | \$52,525       | \$987.50                             | 12%                   | \$22,275   |
| \$92,150   | \$182,950      | \$9,235.00                           | 22%                   | \$92,150   | \$52,525  | \$97,925       | \$4,617.50                           | 22%                   | \$52,525   |
| \$182,950  | \$338,500      | \$29,211.00                          | 24%                   | \$182,950  | \$97,925  | \$175,700      | \$14,605.50                          | 24%                   | \$97,925   |
| \$338,500  | \$426,600      | \$66,543.00                          | 32%                   | \$338,500  | \$175,700   | \$219,750      | \$33,271.50                          | 32%                   | \$175,700  |
| \$426,600  | \$633,950      | \$94,735.00                          | 35%                   | \$426,600  | \$219,750   | \$323,425      | \$47,367.50                          | 35%                   | \$219,750  |
| \$633,950  |                | \$167,307.50                         | 37%                   | \$633,950  | \$323,425   |                | \$83,653.75                          | 37%                   | \$323,425  |
| <b>Single or Married Filing Separately</b>   |                |                                      |                       |  | <b>Single or Married Filing Separately</b>  |                |                                      |                       |  |
| \$0  | \$3,800        | \$0.00                               | 0%                    | \$0  | \$0   | \$6,200        | \$0.00                               | 0%                    | \$0  |
| \$3,800  | \$13,675       | \$0.00                               | 10%                   | \$3,800  | \$6,200   | \$11,138       | \$0.00                               | 10%                   | \$6,200  |
| \$13,675   | \$43,925       | \$987.50                             | 12%                   | \$13,675   | \$11,138  | \$26,263       | \$493.75                             | 12%                   | \$11,138   |
| \$43,925   | \$89,325       | \$4,617.50                           | 22%                   | \$43,925   | \$26,263  | \$48,963       | \$2,308.75                           | 22%                   | \$26,263   |
| \$89,325   | \$167,100      | \$14,605.50                          | 24%                   | \$89,325   | \$48,963  | \$87,850       | \$7,302.75                           | 24%                   | \$48,963   |
| \$167,100  | \$211,150      | \$33,271.50                          | 32%                   | \$167,100  | \$87,850  | \$109,875      | \$16,635.75                          | 32%                   | \$87,850   |
| \$211,150  | \$522,200      | \$47,367.50                          | 35%                   | \$211,150  | \$109,875   | \$265,400      | \$23,683.75                          | 35%                   | \$109,875  |
| \$522,200  |                | \$156,235.00                         | 37%                   | \$522,200  | \$265,400   |                | \$78,117.50                          | 37%                   | \$265,400  |
| <b>Head of Household</b>   |                |                                      |                       |  | <b>Head of Household</b>  |                |                                      |                       |  |
| \$0  | \$10,050       | \$0.00                               | 0%                    | \$0  | \$0   | \$9,325        | \$0.00                               | 0%                    | \$0  |
| \$10,050   | \$24,150       | \$0.00                               | 10%                   | \$10,050   | \$9,325   | \$16,375       | \$0.00                               | 10%                   | \$9,325  |
| \$24,150   | \$63,750       | \$1,410.00                           | 12%                   | \$24,150   | \$16,375  | \$36,175       | \$705.00                             | 12%                   | \$16,375   |
| \$63,750   | \$95,550       | \$6,162.00                           | 22%                   | \$63,750   | \$36,175  | \$52,075       | \$3,081.00                           | 22%                   | \$36,175   |
| \$95,550   | \$173,350      | \$13,158.00                          | 24%                   | \$95,550   | \$52,075  | \$90,975       | \$6,579.00                           | 24%                   | \$52,075   |
| \$173,350  | \$217,400      | \$31,830.00                          | 32%                   | \$173,350  | \$90,975  | \$113,000      | \$15,915.00                          | 32%                   | \$90,975   |
| \$217,400  | \$528,450      | \$45,926.00                          | 35%                   | \$217,400  | \$113,000   | \$268,525      | \$22,963.00                          | 35%                   | \$113,000  |
| \$528,450  |                | \$154,793.50                         | 37%                   | \$528,450  | \$268,525   |                | \$77,396.75                          | 37%                   | \$268,525  |

Figure 1 - 2020 Annual Percentage Tables

## How to setup/update the tables in PowerChurch Plus

A separate table will need to be created in PowerChurch for the single, married, and head of household table rates labeled "STANDARD Withholding Rate Schedules" in the documentation.

Also, starting with the redesign of the W4 form in 2020, you will potentially need a second set of tables, labelled "Form W4 Step 2 Checkbox Withholding Rate Schedules", where employees can now opt to have a higher tax rate deducted. This is now creates a potential for six different Federal tax tables to maintain instead of two.

Refer to [Form W4 Redesigned for 2020](#) for more information.

To setup/update PowerChurch Plus with the federal tax tables shown in Figure 1 above, select the Accounting menu, Payroll, Setup, then Maintain Tax Tables. Click Add to enter a new table, or use the Find/Locate buttons to select an existing Federal tax table to update. When adding a new table, you will be prompted for the type of tax table you're adding. Select Federal: Withholding. For each table, enter the following information:

- **Description:** Enter a unique name to identify the tax table (for example, "Federal Single - Standard").
- **Tax type:** The type of tax in which this table applies. In this instance, select Federal Withholding.
- **Withholding allowance:** There is no longer a mention of the "Amount for one withholding allowance" in the IRS documentation. Now, the amount is just listed in "Worksheet 5. Employer's Withholding Worksheet for Percentage Method Tables for Manual Payroll Systems With Forms W4 From 2019 and Earlier", Table 6, Annually, as shown in the image below.

### Worksheet 5. Employer's Withholding Worksheet for Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2019 or Earlier

| Table 6 | Annually | Semiannually | Quarterly | Monthly | Semimonthly |
|---------|----------|--------------|-----------|---------|-------------|
|         | \$4,300  | \$2,150      | \$1,075   | \$358   | \$179       |

Figure 2 - 2020 Withholding Allowance

- **Round tax to nearest whole dollar:** Check this box to round the calculated tax amount to the nearest whole dollar.
- **Annual Rate Table:** Click the Annual Rate Table tab. Enter the figures from the "But less than" column followed by the "Plus this percentage" column for each bracket.

When you are done, the screen should look like this:

Maintain Tax Tables

[Add](#) [Delete](#) [Locate](#) [Next](#) [Previous](#) [Close](#)

Description: Federal Single - Standard

Tax type: Federal Withholding [How is this used?](#)

Deduction and Exemption Information Annual Rate Table

[Click here for more information on how to complete the tax table setup.](#)

Withholding allowance: 4300.00 (Only applies to employees with W-4 from 2019 and prior)

Round tax to nearest whole dollar

**NOTE: You only need to enter annual tax information. PowerChurch Plus will use the annual amounts to calculate the taxes for other pay periods as needed.**

Federal Withholding Table

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**Figure 3a** - Federal Single Tax Table (Deduction and Exemption Information)

Maintain Tax Tables

Add Delete Locate Next Previous Close

Description: Federal Single - Standard

Tax type: Federal Withholding [How is this used?](#)

Deduction and Exemption Information Annual Rate Table

|     | Over:   | But not over: | Amount of tax to withhold is: |      |          | of excess over: |
|-----|---------|---------------|-------------------------------|------|----------|-----------------|
| 1.  | 0       | 3,800         | 0.00                          | plus | 0.000 %  | 0               |
| 2.  | 3,800   | 13,675        | 0.00                          | plus | 10.000 % | 3,800           |
| 3.  | 13,675  | 43,925        | 987.50                        | plus | 12.000 % | 13,675          |
| 4.  | 43,925  | 89,325        | 4,617.50                      | plus | 22.000 % | 43,925          |
| 5.  | 89,325  | 167,100       | 14,605.50                     | plus | 24.000 % | 89,325          |
| 6.  | 167,100 | 211,150       | 33,271.50                     | plus | 32.000 % | 167,100         |
| 7.  | 211,150 | 522,200       | 47,367.50                     | plus | 35.000 % | 211,150         |
| 8.  | 522,200 | 9,999,999     | 156,235.00                    | plus | 37.000 % | 522,200         |
| 9.  | 0       | 0             | 0.00                          | plus | 0.000 %  | 0               |
| 10. | 0       | 0             | 0.00                          | plus | 0.000 %  | 0               |
| 11. | 0       | 0             | 0.00                          | plus | 0.000 %  | 0               |
| 12. | 0       | 0             | 0.00                          | plus | 0.000 %  | 0               |
| 13. | 0       | 0             | 0.00                          | plus | 0.000 %  | 0               |
| 14. | 0       | 0             | 0.00                          | plus | 0.000 %  | 0               |
| 15. | 0       | 0             | 0.00                          | plus | 0.000 %  | 0               |

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Save Cancel

**Figure 3b** - Federal Single Tax Table (Annual Rate Table)

## Tax Tables for Social Security and Medicare

Publication 15 also has the current rates for Social Security and Medicare. The percentage rates for these tables have not changed in recent years. However, the Cap amount for Social Security usually changes every year.

**Tax rates and the social security wage base limit.** Social security and Medicare taxes have different rates and only the social security tax has a wage base limit. The wage base limit is the maximum wage subject to the tax for the year. Determine the amount of withholding for social security and Medicare taxes by multiplying each payment by the employee tax rate.

For 2020, the social security tax rate is 6.2% (amount withheld) each for the employer and employee (12.4% total). The social security wage base limit is \$137,700. The tax rate for Medicare is 1.45% (amount withheld) each for the employee and employer (2.9% total). There is no wage base limit for Medicare tax; all covered wages are subject to Medicare tax.

To setup/update PowerChurch Plus for Social Security and Medicare tax tables, select the Accounting menu, Payroll, Setup, then Maintain Tax Tables. A separate table will need to be created for the Social Security and Medicare rates.

Click Add to enter a new table, or use the Find/Locate buttons to select an existing table to update. When adding a new table, you will be prompted for the type of tax table you're adding. Select Federal: Social Security or Federal: Medicare. For each table, enter the following information:

- **Description:** Enter a unique name to identify the tax table (for example, "Social Security").
- **Tax type:** The type of tax in which this table applies. In this instance, select Social Security.
- **Percentage:** Enter the current applicable rate (i.e. 6.2%).
- **Cap:** Check the box "There is a cap on this tax" and enter the amount in the Cap (gross) field. Currently there is no limit on the amount of wages subject to Medicare tax. Be sure to consult current publications as this may change.
- **Round tax to nearest whole dollar:** If required, check this box to round the calculated tax amount to the nearest whole dollar.

When you are done, the screen should look like this:

The screenshot shows a window titled "Maintain Tax Tables" with a toolbar containing buttons for "Add", "Delete", "Locate", "Next", "Previous", and "Close". The "Add" button is highlighted with a dashed border. Below the toolbar, the "Description" field contains "Social Security" and the "Tax type" dropdown menu is set to "Social Security". A blue hyperlink "How is this used?" is visible next to the dropdown. Below this is another blue hyperlink: "Click here for more information on how to complete the tax table setup." The "Percentage" field is set to "6.200" and the "There is a cap on this tax" checkbox is checked. The "Cap (gross)" field is set to "137,700" with the text "(Amount above which tax no longer applies)" in parentheses. The "Round tax to nearest whole dollar" checkbox is unchecked. At the bottom right, the text "Social Security Table" is displayed. At the bottom left, the text "Last Updated: 12/26/2019 01:08:46 PM by SYSTEMADM" is shown. At the bottom right, there are "Save" and "Cancel" buttons.

**Figure 4 - 2020 Social Security Tax Table**

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