

2019: The year in payroll

A lot happened this year, and it's not over yet, so let's review.

Form W-4 and 2020 withholding

The IRS finally released the [2020 W-4 and one percentage method table](#), but as of today, it's still sitting on Pub. 15-T, which contains all the worksheets and withholding methods for 2020.

Since we may not be around to post the final version of Pub. 15-T (we will if the IRS coughs it up by the end of this week), point your browser [here](#) and enter 15-t in the search box. We recommend doing this every day, as necessary.

Rehires

The IRS is now saying that employees you rehire next year must complete the 2020 W-4. Previously, you could use their old W-4s, provided they hadn't completely severed ties with the company.

Lock-in letters

There also seems to be some confusion about the implementation of lock-in letters sent this year, which will be implemented next year.

What's the problem: Some of these lock-in letters instruct employers to withhold based on single/zero status, when technically there is no more single/zero status.

What to do: Regardless of whether the IRS made a mistake with the contents of these pre-2020 W-4 lock-in letters, you must withhold as instructed in the lock-in letter. Failure to do so can lead to penalties. And even if the IRS blew it in these lock-in letters, you can never be liable to the employee for complying with a lock-in letter's withholding instructions.

State withholdings

As far as we know, North Dakota is the only state to conform its [withholding methods](#) to the IRS' new withholding methods, which generally aren't based on withholding allowances or pay periods.

Other states, including [Missouri](#), [Nebraska](#), [Oregon](#) and [Wisconsin](#), have changed their state W-4s forms. Surf to these states' tax departments for more details.

Some exemptions get a raise

On Jan. 1, your exempt employees must earn \$684 a week and pass their respect duties tests to remain exempt. Highly compensated employees must earn \$107,432, including \$684 a week. You can read more about this [here](#), [here](#) and [here](#).

Regular rate calculation

And just in time for your holiday celebrations, the Department of Labor released [final regulations](#) that allow you to offer more perks to nonexempt employees without those payments counting as part of their regular rate calculation when you're figuring their overtime rate. You can read more about this [here](#); scroll down to *Latest Articles*.