

2021 Federal Withholding Percentage Method Calculation

Revised 1/8/21



OFFICE OF THE
COMPTROLLER
Illinois State University

Payroll

Effective for wages paid beginning January 1, 2020. Supersedes any formulas before January 1, 2020.

Worksheet 1. Employer's Withholding Worksheet for Percentage Method Tables for Automated Payroll Systems

Step 1 Adjust the employee's wage amount

1a Enter the employee's total taxable wages this payroll period.....	1a	\$	_____
1b Enter the number of pay periods you have per year (see Table 3).....	1b		_____
1c Multiply the amount on line 1a by the number on line 1b.....	1c	\$	_____

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	\$	_____
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	\$	_____
1h Add lines 1f and 1g.....	1h	\$	_____
1i Subtract line 1h from line 1e. If zero or less, enter -0-. This is the Adjusted Annual Wage Amount	1i	\$	_____

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 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 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	\$	_____
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	\$	_____
2c Enter the amount from column C of that row.....	2c	\$	_____
2d Enter the percentage from column D of that row.....	2d	%	_____
2e Subtract line 2b from line 2a.....	2e	\$	_____
2f Multiply the amount on line 2e by the percentage on line 2d.....	2f	\$	_____
2g Add lines 2c and 2f.....	2g	\$	_____
2h Divide the amount on line 2g by the number of pay periods on line 1b. This is the Tentative Withholding Amount	2h	\$	_____

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Step 3 Account for tax credits

3a If the employee's Form W-4 is from 2020, 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	\$	

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 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	\$	

Table 3

Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily
2	4	12	24	26	52	260

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Percentage Method Table

STANDARD Withholding Rate Schedules (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.)				
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...			
A	B	C	D	E
Married Filing Jointly				
\$0	\$12,200	\$0.00	0%	\$0
\$12,200	\$32,100	\$0.00	10%	\$12,200
\$32,100	\$93,250	\$1,990.00	12%	\$32,100
\$93,250	\$187,950	\$9,328.00	22%	\$93,250
\$187,950	\$342,050	\$29,502.00	24%	\$184,950
\$342,050	\$431,050	\$67,206.00	32%	\$342,050
\$431,050	\$640,500	\$95,686.00	35%	\$431,050
\$640,500		\$168,993.50	37%	\$640,500
Single or Married Filing Separately				
\$0	\$3,950	\$0.00	0%	\$0
\$3,950	\$13,900	\$0.00	10%	\$3,800
\$13,900	\$44,475	\$995.00	12%	\$13,900
\$44,475	\$90,325	\$4,664.00	22%	\$44,475
\$90,325	\$168,875	\$14,751.00	24%	\$90,325
\$168,875	\$213,375	\$33,603.00	32%	\$168,875
\$213,375	\$527,550	\$47,843.00	35%	\$213,375
\$527,550		\$157,804.25	37%	\$527,550
Head of Household				
\$0	\$10,200	\$0.00	0%	\$0
\$10,200	\$24,400	\$0.00	10%	\$10,200
\$24,400	\$64,400	\$1,420.00	12%	\$24,400
\$64,400	\$96,550	\$6,220.00	22%	\$64,400
\$96,550	\$175,100	\$13,293.00	24%	\$96,550
\$175,100	\$219,600	\$32,145.00	32%	\$175,100
\$219,600	\$533,800	\$46,385.00	35%	\$219,600
\$533,800		\$156,355.00	37%	\$533,800

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Form W-4, Step 2, Checkbox, Withholding Rate Schedules (Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 IS checked.)				
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...			
A	B	C	D	E
Married Filing Jointly				
\$0	\$12,550	\$0.00	0%	\$0
\$12,550	\$22,500	\$0.00	10%	\$12,550
\$22,500	\$53,075	\$995.00	12%	\$22,500
\$53,075	\$98,925	\$4,664.00	22%	\$53,075
\$98,925	\$177,475	\$14,751.00	24%	\$98,925
\$177,475	\$221,975	\$33,603.00	32%	\$177,475
\$221,975	\$326,700	\$47,843.00	35%	\$221,975
\$326,700		\$84,496.75	37%	\$326,700
Single or Married Filing Separately				
\$0	\$6,275	\$0.00	0%	\$0
\$6,275	\$11,250	\$0.00	10%	\$6,275
\$11,250	\$26,538	\$497.50	12%	\$11,250
\$26,538	\$49,463	\$2,332.00	22%	\$26,538
\$49,463	\$88,738	\$7,375.50	24%	\$49,463
\$88,738	\$110,988	\$16,801.50	32%	\$88,738
\$110,988	\$268,075	\$23,921.50	35%	\$110,988
\$268,075		\$78,902.13	37%	\$268,075
Head of Household				
\$0	\$9,400	\$0.00	0%	\$0
\$9,400	\$16,500	\$0.00	10%	\$9,400
\$16,500	\$36,500	\$710.00	12%	\$16,500
\$36,500	\$52,575	\$3,110.00	22%	\$36,500
\$52,575	\$91,850	\$6,646.50	24%	\$52,575
\$91,850	\$114,100	\$16,075.50	32%	\$91,850
\$114,100	\$271,200	\$23,192.50	35%	\$114,100
\$271,200		\$78,177.50	37%	\$271,200

If you have questions, call the Payroll Office at (309) 438-7677 or e-mail payroll@ilstu.edu.