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

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Table 3	Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily
	2	4	12	24	26	52	260

Step 1. Adjust the employee's payment amount

1a	Enter the employee's total taxable wages this payroll period	1a	$ 1208.63
1b	Enter the number of pay periods you have per year (see Table 3)	1b	24
1c	Multiply the amount on line 1a by the number on line 1b	1c	$ 29007.12

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	$ 0
1e	Add lines 1c and 1d	1e	$ 29007.12
1f	Enter the amount from Step 4(b) of the employee's Form W-4	1f	$ 0
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	$ 12900
1h	Add lines 1f and 1g	1h	$ 16107.12
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 or later 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 or later 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	$ 16107.12
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	$ 0
2c	Enter the amount from column C of that row	2c	$ 0
2d	Enter the percentage from column D of that row	2d	0 %
2e	Subtract line 2b from line 2a	2e	$ 0
2f	Multiply the amount on line 2e by the percentage on line 2d	2f	$ 0
2g	Add lines 2c and 2f	2g	$ 0
2h	Divide the amount on line 2g by the number of pay periods on line 1b. This is the **Tentative Withholding Amount**	2h	$ 0

Step 3. Account for tax credits

3a	If the employee's Form W-4 is from 2020 or later, enter the amount from Step 3 of that form; otherwise, enter -0-	3a	$ 0
3b	Divide the amount on line 3a by the number of pay periods on line 1b	3b	$ 0
3c	Subtract line 3b from line 2h. If zero or less, enter -0-	3c	$ 0

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 or later form, or line 6 on earlier forms)	4a	$ 0
4b	Add lines 3c and 4a. **This is the amount to withhold from the employee's wages this pay period**	4b	$ 0

You can find the information from 2025 federal tax table.