

2023 Percentage Method Tables for Automated Payroll Systems and Withholding on Periodic Payments of Pensions and Annuities

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. Also use these for Form W-4P from any year.)					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 on Worksheet 1A or the Adjusted Annual Payment Amount on Worksheet 1B is:					If the Adjusted Annual Wage Amount on Worksheet 1A is:				
At least—	But less than—	The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Annual Wage or Payment exceeds—	At least—	But less than—	The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Annual Wage exceeds—
A	B	C	D	E	A	B	C	D	E
Married Filing Jointly					Married Filing Jointly				
\$0	\$14,800	\$0.00	0%	\$0	\$0	\$13,850	\$0.00	0%	\$0
\$14,800	\$36,800	\$0.00	10%	\$14,800	\$13,850	\$24,850	\$0.00	10%	\$13,850
\$36,800	\$104,250	\$2,200.00	12%	\$36,800	\$24,850	\$58,575	\$1,100.00	12%	\$24,850
\$104,250	\$205,550	\$10,294.00	22%	\$104,250	\$58,575	\$109,225	\$5,147.00	22%	\$58,575
\$205,550	\$379,000	\$32,580.00	24%	\$205,550	\$109,225	\$195,950	\$16,290.00	24%	\$109,225
\$379,000	\$477,300	\$74,208.00	32%	\$379,000	\$195,950	\$245,100	\$37,104.00	32%	\$195,950
\$477,300	\$708,550	\$105,664.00	35%	\$477,300	\$245,100	\$360,725	\$52,832.00	35%	\$245,100
\$708,550		\$186,601.50	37%	\$708,550	\$360,725		\$93,300.75	37%	\$360,725
Single or Married Filing Separately					Single or Married Filing Separately				
\$0	\$5,250	\$0.00	0%	\$0	\$0	\$6,925	\$0.00	0%	\$0
\$5,250	\$16,250	\$0.00	10%	\$5,250	\$6,925	\$12,425	\$0.00	10%	\$6,925
\$16,250	\$49,975	\$1,100.00	12%	\$16,250	\$12,425	\$29,288	\$550.00	12%	\$12,425
\$49,975	\$100,625	\$5,147.00	22%	\$49,975	\$29,288	\$54,613	\$2,573.50	22%	\$29,288
\$100,625	\$187,350	\$16,290.00	24%	\$100,625	\$54,613	\$97,975	\$8,145.00	24%	\$54,613
\$187,350	\$236,500	\$37,104.00	32%	\$187,350	\$97,975	\$122,550	\$18,552.00	32%	\$97,975
\$236,500	\$583,375	\$52,832.00	35%	\$236,500	\$122,550	\$295,988	\$26,416.00	35%	\$122,550
\$583,375		\$174,238.25	37%	\$583,375	\$295,988		\$87,119.13	37%	\$295,988
Head of Household					Head of Household				
\$0	\$12,200	\$0.00	0%	\$0	\$0	\$10,400	\$0.00	0%	\$0
\$12,200	\$27,900	\$0.00	10%	\$12,200	\$10,400	\$18,250	\$0.00	10%	\$10,400
\$27,900	\$72,050	\$1,570.00	12%	\$27,900	\$18,250	\$40,325	\$785.00	12%	\$18,250
\$72,050	\$107,550	\$6,868.00	22%	\$72,050	\$40,325	\$58,075	\$3,434.00	22%	\$40,325
\$107,550	\$194,300	\$14,678.00	24%	\$107,550	\$58,075	\$101,450	\$7,339.00	24%	\$58,075
\$194,300	\$243,450	\$35,498.00	32%	\$194,300	\$101,450	\$126,025	\$17,749.00	32%	\$101,450
\$243,450	\$590,300	\$51,226.00	35%	\$243,450	\$126,025	\$299,450	\$25,613.00	35%	\$126,025
\$590,300		\$172,623.50	37%	\$590,300	\$299,450		\$86,311.75	37%	\$299,450

Worksheet 1B. Payer's Worksheet for Figuring Withholding From Periodic Pension or Annuity Payments

Monthly	Semimonthly	Biweekly	Weekly	Daily
12	24	26	52	260

Step 1. Adjust the payee's payment amount

- 1a Enter the payee's total payment this period 1a \$ _____
- 1b Enter the number of payment periods you have per year (see Table 4) 1b _____
- 1c Multiply line 1a by the number on line 1b 1c \$ _____

If the payee **HAS** submitted a Form W-4P for 2022 or later, figure the Adjusted Annual Payment Amount as follows:

- 1d Enter the amount from Step 4(a) of the payee's Form W-4P 1d \$ _____
- 1e Add lines 1c and 1d 1e \$ _____
- 1f Enter the amount from Step 4(b) of the payee's Form W-4P 1f \$ _____
- 1g 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 less than zero, enter it in parentheses. This is the **Adjusted Annual Payment Amount** 1i \$ _____

If the payee **HAS NOT** submitted a Form W-4P for 2022 or later, figure the Adjusted Annual Payment Amount as follows:

- 1j Enter the number of allowances claimed on the payee's most recent Form W-4P 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 Payment Amount** 1l \$ _____

Step 2. Figure the Tentative Annual Withholding Amount

based on the payee's Adjusted Annual Payment Amount and filing status (Step 1(c) of the 2022 or later Form W-4P) or marital status (line 2 of the 2021 or earlier Form W-4P).

If the payee **HAS** submitted a Form W-4P for 2022 or later **AND** Step 2(b)(iii) of Form W-4P contains a **non-zero** amount, complete Parts I, II, and III of Step 2. Otherwise, complete Parts I and III only.

Part I: If the payee **HAS** submitted a Form W-4P for 2022 or later **AND** Step 2(b)(iii) of Form W-4P contains a **non-zero** amount, complete lines 2a-2c and then resume on line 2e. Otherwise, begin on line 2d.

- 2a Enter the amount from Step 2(b)(iii) of Form W-4P 2a \$ _____
- 2b Enter \$12,900 if the taxpayer is married filing jointly or \$8,600 otherwise 2b \$ _____
- 2c Subtract line 2b from line 2a. (If the result is zero or less, enter -0-.) Then skip to line 2e 2c \$ _____

OR

- 2d If lines 2a-2c don't apply: Enter the payee's **Adjusted Annual Payment Amount** from line 1i or 1l, but not less than zero 2d \$ _____
- 2e Using the amount on line 2c or line 2d (whichever is not missing), find the row in the STANDARD Withholding Rate Schedules of the **Annual Percentage Method** table in which the amount on line 2c or line 2d (whichever is not missing) is at least the amount in column A but less than the amount in column B, and then enter here the amount from column A of that row 2e \$ _____
- 2f Enter the amount from column C of that row 2f \$ _____
- 2g Enter the percentage from column D of that row 2g _____ %
- 2h Subtract line 2e from line 2c or line 2d (whichever is not missing) 2h \$ _____
- 2i Multiply the amount on line 2h by the percentage on line 2g 2i \$ _____
- 2j Add lines 2f and 2i 2j \$ _____

Part II: (Complete Part II if there is an amount on line 2a above. Skip Part II if there is an amount on line 2d above.)

- 2k Enter the amount from Step 2(b)(iii) of the payee's Form W-4P, even if negative 2k \$ _____
- 2l Enter the payee's **Adjusted Annual Payment Amount** from line 1i above, even if negative 2l \$ _____
- 2m Add lines 2k and 2l. If the result is zero or less, enter -0- 2m \$ _____
- 2n Find the row in the appropriate STANDARD Withholding Rate Schedules of the **Annual Percentage Method** table in which the amount on line 2m is at least the amount in column A but less than the amount in column B, and then enter here the amount from column A of that row 2n \$ _____
- 2o Enter the amount from column C of that row 2o \$ _____
- 2p Enter the percentage from column D of that row 2p _____ %
- 2q Subtract line 2n from line 2m 2q \$ _____
- 2r Multiply the amount on line 2q by the percentage on line 2p 2r \$ _____
- 2s Add lines 2o and 2r 2s \$ _____
- 2t Subtract line 2j from line 2s. If zero or less, enter -0- 2t \$ _____

Part III: For ALL payees, identify the Tentative Annual Withholding Amount as follows:

- 2u If there is a non-zero amount in Step 2(b)(iii) of the payee's 2022 or later Form W-4P, enter the amount from line 2t. Otherwise, enter the amount from line 2j 2u \$ _____

Step 3. Account for tax credits

- 3a If the payee has submitted a Form W-4P for 2022 or later, enter the amount from Step 3 of that form; otherwise, enter -0- 3a \$ _____
- 3b Subtract line 3a from line 2u. If zero or less, enter -0- 3b \$ _____

Step 4. Figure the final amount to withhold

- 4a Divide the amount on line 3b by the number of payment periods from line 1b 4a \$ _____
- 4b Enter the additional amount to withhold from the payee's Form W-4P (Step 4(c) of the 2022 or later Form W-4P or line 3 of the 2021 or earlier Form W-4P) 4b \$ _____
- 4c Add lines 4a and 4b. **This is the amount to withhold from the payee's payment this payment period** 4c \$ _____