

August 31, 2020

In an effort to keep you updated during the COVID-19 pandemic, we are providing you with updates on the latest developments. Please do not hesitate to reach out to your Sheakley HR team member should you have additional questions or concerns.

Social Security Tax Deferral Update

Late Friday afternoon, the Department of Treasury and Internal Revenue Service issued guidance implementing the Presidential Memorandum issued on August 8, 2020, allowing employers to defer withhold and payment of the employee's portion of the Social Security tax if the employee's wages are below a certain amount. Notice 2020-65 (attached) posted Friday on IRS.gov, makes relief available for employers and generally applies to wages paid starting September 1, 2020 through December 31, 2020.

The employee Social Security tax deferral may apply to payments of taxable wages to an employee that are less than \$4,000 during a bi-weekly pay period, with each pay period considered separately. No deferral is available for any payment to an employee of taxable wages of \$4,000 or above for a bi-weekly pay period. Friday's notice postpones the time for employers to withhold and pay employee Social Security taxes.

For additional questions or concerns, please speak to your CPA or tax advisor.