



Employee Social Security Tax Deferral

Dear Valued Client,

On August 8, President Trump signed an [Executive Memorandum](#) calling for a limited deferral of employee social security tax withholding and deposit between September 1 and December 31, 2020 due to COVID-19. This past Friday, the IRS issued [Notice 2020-65](#) regarding the deferral procedure. The guidance still leaves many open questions. It does clarify the following:

- The deferral is allowed but not required;
- If employers opt-in to the deferral, they may only defer an employee's withholding for pay dates on which an employee earns less than \$2,000 (weekly), \$4,000 (biweekly) or the corresponding equivalent for the pay frequency;
- After the deferral period, the employer will then need to withhold the previously deferred tax from the employee's pay between January 1 and April 30, 2021.

The guidance does not address crucial considerations, such as: May employers allow their employees to individually opt-in or opt-out of the deferral?

Viventium is currently reviewing this guidance, including the implication that if an employer cannot withhold the tax during 2021, the employer will be responsible for paying the tax. We will provide further updates regarding the scope of Viventium's support of this deferral as clarification emerges.

In it with you,

Your Viventium Team