Guidance issued to implement Presidential Memorandum deferring certain employee Social Security tax withholding

IR-2020-195, Aug. 28, 2020

WASHINGTON – The Department of Treasury and Internal Revenue Service today issued [guidance](https://www.irs.gov/pub/irs-drop/n-20-65.pdf) implementing the Presidential Memorandum issued on Aug. 8, 2020, allowing employers to defer withholding 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, posted today on IRS.gov, makes relief available for employers and generally applies to wages paid starting Sept. 1, 2020, through Dec. 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.

Today’s notice postpones the time for employers to withhold and pay employee Social Security taxes.

Additional [tax relief related to the COVID-19 pandemic](https://www.irs.gov/coronavirus-tax-relief-and-economic-impact-payments) can be found on IRS.gov.

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