Treasury and IRS Issue Guidance Deferring Certain Payroll Tax Obligations

August 28, 2020

WASHINGTON – The U.S. Treasury Department and Internal Revenue Service (IRS) released guidance today on President Donald J. Trump’s memorandum of August 8, 2020 directing the Secretary of the Treasury to use his authority to defer certain payroll taxes. The guidance allows employers to defer withholding and paying the employee’s portion of the Social Security payroll tax if the employee’s wages are below a certain amount.

The deferral is available with respect to any employee whose wages or compensation during any bi-weekly pay period generally are less than $4,000, calculated on a pre-tax basis, or the equivalent amount with respect to other pay cycles.

View the notice.

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