



SOCIAL SECURITY Payroll Tax Withholding Deferral

Effective September 2020, DoD will temporarily defer your 6.2% OASDI tax withholding if your wages, subject to OASDI*, are less than \$4,000 in any given pay period.

CIVILIAN EMPLOYEE

DEFERRAL TIMEFRAME



COLLECTION TIMEFRAME



BACKGROUND

In order to provide relief during the COVID-19 pandemic, a Presidential Memorandum was issued on August 8, 2020 and guidance followed by Internal Revenue Service on August 28, 2020, to temporarily defer employees’ 6.2% Social Security (Old Age, Survivors, and Disability Insurance) or “OASDI” tax withholdings.

KEY FACTS

- This change is effective **September through the end of the 2020 calendar year** and only applies to your OASDI tax withholding.
- You are **not eligible to opt-out of the deferral** if your OASDI wages fall within the stated limits. The deferral will happen automatically.
- Per current IRS guidance, **collection of the deferred taxes will be taken from your wages between January 1 and April 30, 2021.**
- The OASDI deduction is found on your LES under the deductions tab/section.
- If you separate in 2020 before the Social Security tax can be collected in 2021, you are still responsible for the Social Security tax repayment.

ADDITIONAL RESOURCES

If you have questions on the temporary deferral of the 6.2% OASDI withholding:

- Visit the IRS page: <https://www.irs.gov/newsroom/guidance-issued-to-implement-presidential-memorandum-deferring-certain-employee-social-security-tax-withholding>
- As more information becomes available, it will be posted on: <https://www.dfas.mil/taxes/Social-Security-Deferral>
- For more information on financial readiness:
 - Consult with an Employee Assistance Program financial counselor or seek assistance from a private financial advisor.

* *Wages subject to OASDI: Gross wages less Federal Employees Health Benefits (FEHB), Dental, Vision, and Health/Flexible Spending Accounts (HSA/FSA).*