



# SOCIAL SECURITY Payroll Tax Withholding Deferral

Effective for the September mid-month pay, DoD will temporarily defer the withholding of your 6.2% Social Security tax if your monthly rate of basic pay is less than \$8,666.66.

## 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 military members' 6.2% Social Security (Old Age, Survivors, and Disability Insurance) or "OASDI" tax withholdings.

## KEY FACTS

- For **Active Duty** Army, Air Force, Navy and Space Force military members, the Social Security tax is labeled as "FICA-SOC SECURIT" on the Leave and Earnings Statement (LES).
- For **Reserve or National Guard** Army, Air Force and Navy military members, the Social Security tax and Medicare tax are jointly labeled as "FICA TAXES" on the LES. For most military members, the Social Security tax and Medicare tax are calculated as 6.2% and 1.45% of basic pay, respectively.
- For the Marine Corps military members, the Social Security tax is labeled as "Social Security" on the LES.
- This change is effective **through the end of the 2020 calendar year** and only applies to your Social Security tax withholding.
- You are **not eligible to opt-out of the deferral** if your basic pay falls within the stated wage limits. The deferral will happen automatically.
- Per IRS guidance, **collection of the deferred taxes will be taken from your wages between January 1 and April 30, 2021.**
- 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:
  - Visit <https://finred.usalearning.gov>
  - Visit your installation-based Military and Family Support Center and speak with a personal financial manager or counselor, or contact Military OneSource at <https://www.militaryonesource.mil>

### DEFERRAL TIMEFRAME



### COLLECTION TIMEFRAME



MILITARY MEMBER