



Dominion Payroll™

Deferral of Employee Payroll Taxes 2020

In late August, the IRS and Treasury Department issued Notice 2020-65, which allowed for the voluntary deferral of the 6.2% Social Security tax paid by employees. Under this program, employees could retain the 6.2% payroll tax on wages paid between Sept. 1, 2020 and Dec. 31, 2020. However, the deferred payroll taxes would then be paid between Jan. 1, 2021 and April 30, 2021, through additional withholding by the employer. Any deferred taxes not paid by May 1, 2021, would be subject to penalties.

Extension

The Consolidated Appropriations Act provides for an extended repayment period for any deferred payroll taxes under this program. Accordingly, employees that deferred any amounts will now have a full calendar year, from Jan. 1, 2021 to Dec. 31, 2021 to repay the deferred amounts, still via additional withholding by the employer. This extended period will be expected to reduce the per-paycheck impact of the repayment period.

iSolved

When you are ready to recoup the employee 2020 deferred taxes, reach out to customer service at customerservice@dominionpayroll.com. We will get you all set up for the appropriate employee deductions.

Reporting

To see the amount of tax deferred, collected and balance. Navigate to Reporting > Client Reports. Use the Reporting Category dropdown and select COVID 19 Reporting then filter. Click on "Employees with 2020 Social Security Tax Deferral"