Updated Guidance on Deferral of Payment of Social Security Tax 4/12/20

Earlier this week the IRS issued guidance on the rules surrounding employers deferring the payment of the **employer portion** of social security tax. The full guidance is provided here:

<https://www.irs.gov/newsroom/deferral-of-employment-tax-deposits-and-payments-through-december-31-2020>

Here is a quick summary of the key points made for easy reference:

1. Employers can defer deposit and payment of the employer portion of Social Security taxes due between March 27 and December 31, 2019.
2. Employers will NOT be required to make a special election to take advantage of this deferral. The IRS will be issuing revised Form 941s (Employer’s QUARTERLY Federal Tax Return) for the second quarter. Information will be provided soon to instruct employers how to reflect the deferred deposits and payments otherwise due on or after March 27, 2020 for the first quarter of 2020 (January – March 2020).
3. All employers are eligible. **HOWEVER—AND PLEASE TAKE NOTE:** if you received a PPP loan, deferment STOPS once your loan is forgiven (although all deferred amounts up to that point remain deferred through the repayment dates listed below).
4. Payback of all deferred amounts will be as follows: 50% of the deferred amount due on or before 12/31/2021 and the remaining 50% due on or before 12/31/2022.