



# 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 Army, Air Force and Navy military members, the Social Security tax is labeled as "FICA-SOC SECURITY" on the Leave and Earnings Statement (LES).
- 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 current 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 One-Source at <https://www.militaryonesource.mil>

MILITARY MEMBER

### DEFERRAL TIMEFRAME



### COLLECTION TIMEFRAME



Additional information on the collection process will be provided in the future.