



CCK clients and friends,

On Friday August 28th the Internal Revenue Service issued [Notice 2020-65](#) in response to an August 8th Presidential Memorandum concerning tax relief for employees. Notice 2020-65 provides initial guidance regarding the deferral of certain payroll tax obligations for eligible employees during the Deferral Period defined as September 1, 2020 through December 31, 2020.

There are still questions unanswered about the details of this tax relief but generally speaking:

- During the Deferral Period, Employers can defer the employee withholding portion of the 6.2% old-age, survivors and disability insurance – generally referred to as “social security tax” on employees whose pretax wages or compensation during any bi-weekly pay period is generally less than \$4,000, resulting in an increase of the net take-home pay of the employee.
- The “employer payroll tax match” is still required to be paid by employers during the deferral period.
- Employers will be required to withhold the taxes previously deferred from employees and remit these deferred taxes to the IRS during the period January 1, 2021 through April 30, 2021, effectively doubling the taxes withheld and decreasing the net take-home pay of the employee.

We agree with professionals nationwide; there are still many questions to be answered. As with other COVID relief legislation released throughout this year, we will continue to monitor the situation and provide additional insight as soon as it becomes available so that you may make appropriate decisions as they affect your employees.

TULSA | FRISCO
CCKCPA.COM

Tulsa Office
8811 South Yale Avenue
Suite 400
Tulsa, OK 74137
918.491.4036

Frisco Office
3211 Internet Boulevard
Suite 330
Frisco, TX 75034
469.562.4036