



News You Can Use

Deferring Employee Payroll Tax Obligations

Suttle & Stalnaker PLLC is committed to helping our clients manage the ever-emerging payroll provisions related to the COVID-19 pandemic.

As we alerted you yesterday: on Saturday, August 8, the President signed an [Executive Order](#) deferring specific employee payroll tax withholdings, but many questions remain including the ability for employees to opt-out, eligible wages, reporting and payback requirements. These questions must be answered before an employee payroll tax deferral program can be implemented and [IRS guidance is required before any action can be taken.](#)

What action do Employers need to take?

No action is needed by employers at this time, until further guidance is provided.

What impact could these executive orders have on my payroll?

Beginning September 1 through December 31, 2020, the employee share of social security [could](#) be suspended for eligible employees. This change could impact the calculation and amount of the 941 deposits you owe during this time period, and may require special reporting on the 3rd and 4th quarter Form 941s – however, this remains to be seen, as sufficient details have not been released. While the President has the authority to delay the due date for payroll tax payments, the executive order does not [forgive](#) the payroll tax liability. Without Congressional action, employees will still owe Social Security tax for the time period of the deferral at a later date.

We will publish more on this topic as information becomes available.

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