

# DEFERMENT OF SOCIAL SECURITY TAX

**NAF Employees** - Effective pay period ending September 16, 2020 through the remainder of 2020, DFAS will temporarily defer the 6.2% **OASDI tax** withholding if wages, subject to OASDI are less than \$4,000 in any given pay period.

Employees **are not eligible to opt-out of the deferral** if their Social Security wages fall within the stated limits. The deferral will happen automatically.

Per IRS guidance, collection of the deferred taxes will be taken from wages between January 1 and April 30, 2021 for civilian employees. **Employees will be double taxed during this period, so they must plan accordingly!**

If a civilian employee separates or retires in 2020 before the Social Security tax can be collected in 2021, they are still responsible for the Social Security tax repayment.

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

FOR 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](https://www.irs.gov/newsroom/guidance-issued-to-implement-presidential-memorandum-deferring-certain-employee-social-security-tax-withholding).