

## \*\*\*\*\* Social Security Tax Deferment \*\*\*\*\*

Effective pay period ending September 12, 2020, DFAS will temporarily defer the 6.2% OASDI (Old age, Survivors, and Disability Insurance) tax withholdings of **civilian employee wages**, subject to OASDI are \$4,000 or less in any given pay period. This change is effective through the end of the 2020 calendar year.

**NOTES:** Employees can use the "Taxable Wages" on the LES as a good reference for whether they will have OASDI tax deferred. The OASDI deduction is found on their LES under the deductions tab/section.

\*\*Federal Civilian 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.

\*\* Military pay: AGRs will see the first withholding deferment in September's mid-month pay. DFAS will defer withholding of the Social Security tax, which is 6.2% of basic pay, if a member's monthly rate of basic pay is less than \$8,666.66 per month (based on military pay tables for grade/years of service).

\*\*Per IRS guidance, collection of the deferred taxes will be taken from your wages between January 1 and April 30, 2021 for both military members and civilian employees. Additional information on the collection process will be provided in the future, once we have received the info from DFAS.

\*\*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.

\*\*The link below will take you to the DFAS FAQs for Social Security Tax Deferral.

[https://www.dfas.mil/taxes/Social-Security-Deferral/fbclid/IwAR0h9k2w\\_d3Hijh-hbZFWUgsdB9xkg1tBV2TIDLaNmDsVcMqe5G7KIIDkPw/](https://www.dfas.mil/taxes/Social-Security-Deferral/fbclid/IwAR0h9k2w_d3Hijh-hbZFWUgsdB9xkg1tBV2TIDLaNmDsVcMqe5G7KIIDkPw/)