



THE DOLINS GROUP, LTD.
certified public accountants



The 8/8/2020 Executive Order to Defer Payroll Taxes



On August 8, 2020, President Trump signed an executive order directing the Secretary of the Treasury to permit employers to defer certain payroll tax obligations in order to provide additional economic relief during the COVID-19 pandemic.

This payroll tax deferral applies to employee wages paid between September 1st and December 31st of 2020 and only for employees who make less than \$4,000 during any bi-weekly pay period. The \$4,000 bi-weekly limit equates to \$104,000 in annual compensation.

The deferral applies to the withholding, deposit, and payment of the employees 6.2% social security tax. It does not apply to the employees 1.45% medicare tax.

The order provides that the amounts deferred will not be subject to interest or penalties.

This new payroll tax deferral is separate from the CARES Act provision that allows for the deferral of the employer's portion of the payroll tax.

Also, it is important to note that this is a deferral and not a forgiveness of the payroll taxes, so plans must be in place to pay the taxes at a later date.

While the order raises many questions for employers, we expect further guidance to be issued by the Department of Treasury relatively soon.



Final Thoughts

If you have any questions or would like to discuss how this order or the CARES Act applies to your specific situation, please contact our office.



About The Dolins Group

Our Mission is to provide excellent tax and accounting services to our clients, enabling them to receive the most current tax saving benefits available by law.

We strive towards providing additional quality services such as incorporating new companies, tax planning, relocation tax expertise, and providing accounting software and training. We believe in networking with other businesses and actively refer quality businesses to our clients when the need arises.

We are the small to mid size company's accounting firm and gear many of our services towards those businesses. We pride ourselves in providing high quality, personalized service in a relaxed and friendly environment.



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