

LEGAL UPDATES

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# Employers Have Limited Extension for Payment of Social Security Taxes

Pursuant to the CARES Act, many employers took advantage of the ability to defer payment of the **employer** portion of certain social security taxes that were otherwise due during 2020. Some have asked questions about whether these rules have been modified by the new stimulus law (the Consolidated Appropriations Act, 2021). The short answer is no. Fifty percent of the deferred 2020 amounts must be paid by December 31, 2021, and the remaining fifty percent must be paid by December 31, 2022.

Also, in August 2020, President Trump issued a presidential memorandum that allowed employers to permit employees to elect to defer the **employee** portion of certain social security taxes. Consistent with that memorandum, the IRS issued Notice 2020-65. In our experience, few employers opted to extend this election to their employees because of potential complexities and unanswered questions relating to the collection and payment of the taxes. For those employers that adopted the relief afforded by the presidential memorandum and IRS Notice 2020-65, the deferred payments were to be paid during the period January 1, 2021 through April 30, 2021. Under the new stimulus law, the law extends the deadline for the collection and payment of these taxes to December 31, 2021.

## Contact us

If you have any further questions or require more information regarding this alert, please contact Daniel Geraghty, Robert Romashko, Mark Welker or your Husch Blackwell attorney.