

Warwick

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

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Date: 9/1/2020

To: All Staff & Substitutes

Copy: Barbara Ripley-Brown

From: Timothy Holmes



Re: Important Notice – Social Security Tax Deferral

On August 8, 2020, the President of the United States issued a Presidential Memorandum directing the Secretary of the Treasury (Secretary) to use his authority pursuant to section 7508A of the Internal Revenue Code (Code) to defer the withholding, deposit, and payment of certain payroll tax obligations – specifically Social Security.

Applicable Wages means wages as defined in section 3121(a) or compensation as defined in section 3231(e) paid to an employee on a pay date during the period beginning on September 1, 2020, and ending on December 31, 2020, but only if the amount of such wages or compensation paid for in a bi-weekly pay period is less than the threshold amount of \$4,000, \$104,000 per year, or the equivalent threshold amount with respect to other pay periods.

For Affected Taxpayers, the due date for the withholding and payment of the tax imposed by section 3101(a), and so much of the tax imposed by section 3201 as is attributable to the rate in effect under section 3101(a), on Applicable Wages, as defined herein, (collectively Applicable Taxes) is postponed until the period beginning on January 1, 2021, and ending on April 30, 2021.

The deferral of Social Security tax is essentially a loan that will have to be paid back. For this reason, the District will not be stopping Social Security deductions from employees' paychecks unless the employee requests this in writing. If you want Social Security taxes to be stopped for the period of September 1, 2020 – December 31, 2020, please contact the payroll department at bripleybrown@wvcsd.org.

Thank you.