

## **CARES Act - Employer Social Security Tax Deferrals**

This deferral is not applicable if the taxpayer has had indebtedness forgiveness under the Paycheck Protection Program or indebtedness forgiveness under the Main Street Lending Program.

### Employers:

A portion of payroll tax expense equal to 6.2% of the first \$137,700 of wages paid to each employee after March 12, 2020 through the end of 2020 can be deferred. This is the employer portion of social security tax reported on Form 941. (It does not apply to any of the employee portion of 941 taxes, nor does it apply to Medicare taxes.) Deposit due dates for the deferred portion is 50% due before December 31, 2021 and 50% due before December 31, 2022.

### Self-employed individuals:

A portion of their self-employment tax equal to 6.2% of self-employment income earned in 2020 after March 12, 2020 can be deferred. This is half of the social security tax portion of self-employment taxes. Estimated tax payments can be reduced by this amount. Due dates for the deferred portion is 50% due before December 31, 2021 and 50% due before December 31, 2022.

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