

**KOCH'S KORNER – April 27, 2020**  
**From Koch Law Firm (KLF)<sup>1,2</sup>**

**COVID-19: Reminder-Deferral of Social Security Payroll Employment Tax Deposits**

Employers may defer deposits of the employer's share of Social Security taxes (not the Medicare tax which can be offset by certain tax credits under the CARES Act) that are otherwise required after March 27, 2020, through December 31, 2020. One half of the deferred deposits are due December 31, 2021 with the second half due December 31, 2022. Although employers who obtain forgiveness of a PPP loan are not entitled to the deferral, according to the IRS FAQ, the employer may defer such deposits until they actually received notice of the forgiveness of all or part of the PPP loan.

Self-employed individuals are entitled to defer 50% of the Social Security tax (not the Medicare tax) imposed on their net earnings from self-employment.

If you have already made deposits, you may be entitled to obtain a refund of the deposits.

NOTE: If you anticipate receiving paid leave credits and CARES Act employee retention credits you will not be subject to failure to deposit penalty if you do not deposit employment taxes including taxes withheld from employees.

See [IRS - Deferral of Social Security Payroll Tax Deposits](#)

**Need help? KLF can help.** Please contact us for assistance regarding your legal questions and concerns whether they involve COVID-19 or other issues, we can help. We are fully automated. We can advise you over the phone or through video conferencing. Documents can be emailed or mailed to you. Safe, remote notarizations can be arranged.

Be safe. Please follow the shelter-in-place requirements so we can beat this pandemic and minimize the risk of a resurgence.

Sincerely,

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<sup>1</sup>Koch Law Firm is an assumed name for Larry A. Koch PA.

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