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Insights

IRS Confirms Payroll Tax Deferral Not Mandatory

September 4, 2020

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In its monthly payroll industry teleconference held on September 3, 2020, the Internal Revenue Service (IRS) confirmed that the payroll tax deferral of the employee portion of the FICA tax described in IRS Notice 2020-65 is not required. Employers may choose to exercise the deferral option but are not obligated to do so, even if their employees request the deferral. The clarification was made by an attorney with the IRS on the teleconference. This clarification was reported by Bloomberg Tax, in a September 3, Daily Tax Report ® article written by Howard Perlman.

More information regarding the tax deferral option and guidance provided in IRS Notice 2020-65 is available **here**.

For additional questions regarding Notice 202-65 or any other wage or payroll tax question, please contact **Kendall A. Schnurpel**, **Amy J. Adolay** or your regular Krieg DeVault attorney.