



**HAWAII NATIONAL GUARD
HUMAN RESOURCES OFFICE**

BULLETIN



NUMBER 21-03

8 January 2021

SOCIAL SECURITY PAYROLL TAX DEFERRAL

UPDATE: The Consolidated Appropriations Act, 2021 was passed and extended the period for collecting deferred 2020 Social Security taxes. The period for collection is now January 1, 2021 through December 31, 2021 (instead of January 1, 2021 to April 30, 2021).

At the end of December, the 2020 Social Security tax deferral will end. Beginning January 2021, the normal 6.2% Social Security tax withholdings will again be deducted from pay for military members and civilians, and an additional deduction for the deferred 2020 Social Security tax collection taken from pay.

Per IRS guidance (as modified by the Consolidated Appropriations Act, 2021), the Social Security taxes deferred in 2020 will be collected from pay between January 1 and December 31, 2021.

Military Members -

For active duty military members, the 2020 deferred Social Security taxes will be collected in 24 installments, from your mid-month and end-of-month pay between January 1 and December 30, 2021.

For reservists and guardsmen performing intermittent duty in 2021, the amount collected may not be the same every pay period. DFAS will collect 2% of net available from each weekly, mid-month and end-of-month pay, and will continue until the deferred taxes have been repaid in full.

Beginning in January 2021, your myPay LES will reflect the monthly collection amount and contain a note in the remarks section that shows the

remaining balance of deferred Social Security taxes.

Civilian Employees –

The amount of Social Security taxes deferred in 2020 will be collected in 24 installments between pay-periods ending January 16 and December 4, 2021.

Beginning in January 2021, your myPay LES Remarks section will include the 2020 deferred OASDI collection amount in that pay period, as well as the remaining balance to be collected.

If you separate or retire prior to the deferred Social Security tax being collected in full the unpaid balance will either be collected from your final pay or you may receive a debt letter with instructions for repayment. Changes to the Social Security Deferred Tax Collection have been made. Rather than collect over the first 4 calendar months of 2021 (Jan-Apr), the collection process will instead be divided across the entire calendar year.

For our Technician members: Collection will be across the 24 pay periods starting 1/16/21 and ending 12/4/21.

For AGR members: Collection will occur out of the mid-month and end of month pay, 2 collections each month, for a total of 24.

For Drill Status Guardsman (DSG) members on orders: DFAS will try to align collection similar to AGR members, but due to the traditional member payroll schedule, there may be some slight differences. Once deductions begin, if you have questions please contact me or our Customer service team (CC with this email).

Additional discussion about the deferral is below, and the initial and follow on emails about this subject are attached. The link directly to DFAS is provided below.

<https://www.dfas.mil/taxes/Social-Security-Deferral/>