



## NOTICE REGARDING EMPLOYEE SOCIAL SECURITY TAX WITHHOLDING

The Internal Revenue Service has implemented President Trump's direction that defers Christian Family Care's obligation to withhold the 6.2% of your compensation that we normally withhold for Social Security [FICA] taxes from each paycheck. The deferral is permitted with respect to amounts paid between September 1 and December 31, 2020, but only if your wages during the bi-weekly pay period are less than \$4,000.00. Amounts not withheld between September 1 and December 31 must be withheld ratably from each paycheck you receive between January 1 and April 30, 2021 (in addition to the 6.2% we are already required to withhold from those paychecks).

For example, assume an employee earns \$2,000 every two weeks. The employee FICA tax is \$124 ( $\$2,000 \times .062$ ). Each of the nine paychecks received between September 1 and December 31 would be \$124 more than usual. However, during January through April, each paycheck would be \$124 less than usual, because the amounts not withheld in the fall, must be withheld during January through April, in addition to the normal 6.2% withholding.

Because the effect of the deferral would merely be to temporarily increase your after-tax pay until December, followed by an equivalent temporary decrease in your after-tax pay in January through April, and because Christian Family Care would incur significant costs to implement both the deferral and the additional collections required next year, Christian Family Care has decided not to defer the withholding and payment of employee FICA taxes.

If you have any questions about this notice, please contact Lorina Soza at [isoza@cfcare.org](mailto:isoza@cfcare.org) or extension 151.

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