

Bulletin for ALL TSA Employees – 09/01/2020

Deferral of Old Age, Survivors and Disability Insurance (OASDI) Deductions

In accordance with the Executive Order signed by the President on August 8, 2020, to defer employees Old Age, Survivors and Disability Insurance (OASDI) deductions due to COVID-19 through December 31, 2020, system modifications to the Payroll/Personnel System are being prepared by the National Finance Center (NFC).

Social Security is the commonly used term for the OASDI program and is funded primarily through payroll taxes. The 2020 OASDI tax rate is 6.2% and this deferral will impact all employees whose gross bi-weekly social security wages are less than \$4,000 (refer to example below). Although the reported plan is for the taxes not to be collected in 2021, the deferment is not an actual tax cut. Unless legislation is passed and signed into law, employees will be responsible for paying the taxes by April 30, 2021.

There is no action required by employees. The deferral of the withholding will vary by employee by pay period, which is contingent upon changes in gross social security wages. Human Capital (HC) does not believe impacted employees will have the option to continue having social security taxes withheld from their paychecks. Another bulletin will be released once the NFC confirms the pay period the tax deferral will be implemented.

Employees whose bi-weekly gross wages exceed the threshold of \$4,000 will continue to have social security taxes withheld from their paycheck. Additionally, the deferral of employee deductions is only applicable to those employees covered under the Federal Employee Retirement System (FERS) or the Civil Service Retirement System (CSRS) Offset and will not impact those who do not normally have OASDI withheld (e.g. CSRS employees).

The following is an example of an employee whose gross wages per pay period are less than \$4,000. Once the tax deferral is implemented, this employee will not have social security taxes withheld from their paycheck.

| SALARY | | RATE | TYPE EMPL. | SCD FOR LEAVE | RET. DEDUCTIONS THIS APPOINTMENT | STATEMENT OF EARNINGS AND LEAVE | | | | |
|-------------------------|--|-------|-------------|---------------|----------------------------------|---------------------------------|--|--|--|--|
| 46,161.00 | | PA | F/T | 10/2/2016 | 5,707.78 | | | | | |
| EARNINGS AND DEDUCTIONS | | | | | | | | | | |
| CODE | ITEM DESCRIPTION | HOURS | | AMOUNT | | | | | | |
| | | P/P | YR. TO DATE | P/P | | | | | | |
| 01 | REGULAR TIME | 15.00 | 613.50 | | 331.80 | | | | | |
| 04 | SUNDAY DIFFERENTIAL | 2.00 | 22.25 | | 11.06 | | | | | |
| 05 | SUN DIFF W/NIGHT DIFF | | 1.00 | | | | | | | |
| 11 | NIGHT DIFFERENTIAL | 5.00 | 355.00 | | 11.06 | | | | | |
| 25 | OT OVER 40 W/NIGHT DIFF | | 12.50 | | | | | | | |
| 31 | HOLIDAY WORKED | | 40.00 | | | | | | | |
| 34 | FLSA | | 12.50 | | | | | | | |
| 61 | ANNUAL LEAVE | | 17.00 | | | | | | | |
| 62 | SICK LEAVE | | 8.00 | | | | | | | |
| 66 | OTHER LEAVE | 65.00 | 721.50 | | 1437.79 | | | | | |
| ** ** | **** PAY PERIOD HOURS & GROSS PAY **** | 80.00 | | | 1791.71 | | | | | |
| 75 02 | RETIREMENT | | | | | | | | | |
| 75 15 | TSP-FERS | | | | | | | | | |
| 76 | SOCIAL SECURITY (OASDI) | | | | 104.73 | | | | | |
| 77 | FEDERAL TAX EXEMPTS S01 | | | | | | | | | |
| | EXTRA FEDERAL TAX | | | | | | | | | |
| 78 | ST TAX NJ EXEMPTS S00 | | | | | | | | | |
| 81 | FEGLI- COVERAGE \$ 49,000 | | | | | | | | | |
| 83 | FEHBA - ENROLL CODE 111 | | | | 75.94 | | | | | |
| 83 10 | DENTAL PLAN | | | | 21.12 | | | | | |
| 83 11 | VISION PLAN | | | | 5.49 | | | | | |

Note: Most employees do not elect to waive premium conversion and therefore pay their premiums for their health insurance coverage on a pre-tax basis. Premiums for dental and vision insurance are also excluded from an employee's taxable income. In the example above, the 2020 Social Security tax rate of 6.2% is calculated as follows:

Gross pay: \$1,791.71
 Minus premiums: \$104.73 (health = \$75.94, dental = \$21.12, vision = \$5.49)
 Adjusted gross pay: \$1,689.16
 Social security tax: \$104.73 (\$1,689.16 x 6.2% = \$104.73)

Questions?

Due to the current COVID-19 pandemic, live agents are not available to answer telephone calls received at the HCAccess Help Desk. Employees can contact the HCAccess Help Desk by e-mail at HelpDesk@mailserver-hraccess.tsa.dhs.gov or at this [link](#), by fax at 1-877-872-7993, or by phone at 1-877-872-7990 and leave a voicemail. Employees can visit the HCAccess website for valuable Human Resources (HR) information on a wide variety of topics at this [link](#) and visit Human Capital online at this [link](#).