

Bulletin for All TSA Employees – 09/10/2020

Social Security Tax Withholding Deferral Frequently Asked Questions

As stated in a previous bulletin, an Executive Order was signed by the President on August 8, 2020 to defer employees' Old Age, Survivors and Disability Insurance (OASDI), or social security, deductions through December 31, 2020. The following are some frequently asked questions regarding this deferral.

Why are my OASDI taxes being deferred?

In order to provide relief during the COVID-19 pandemic, a Presidential Memorandum was issued on August 8, 2020, and guidance followed by Internal Revenue Service on August 28, 2020, to temporarily defer employees Social Security (Old Age, Survivors, and Disability Insurance) or "OASDI" tax withholdings. **The Presidential Memorandum can be accessed at this [link](#).**

What is the deferred OASDI tax?

Social Security is 6.2% and is commonly referred to as OASDI. OASDI stands for Old Age, Survivors, and Disability Insurance program. The tax funds the Social Security program, which is administered by the Social Security Administration. Your OASDI deduction is found on your Statement of Earnings and Leave (SEL) under the deductions section.

How is the OASDI tax calculated?

OASDI tax is set by law at 6.2%. The tax is calculated as 6.2% of wages that are subject to OASDI. Wages subject to OASDI are gross wages less Federal Employees Health Benefits (FEHB), Dental, Vision, and Health/Flexible Spending Accounts (HSA/FSA).

Can I opt-out of the deferred OASDI tax withholding?

No. The Office of Management and Budget (OMB) directed all Executive Branch Agencies to implement the tax deferral. As such, no Payroll Providers, Departments/Agencies, employees or service members will be able to opt-in/opt-out of the deferral.

Does this affect any of my other tax withholdings?

No. Pursuant to the Department of Treasury and the Internal Revenue Service (IRS) Guidance, this only affects your Social Security tax (OASDI) withholdings, which will be deferred from September 2020 through the end of the calendar year 2020. **The Department of Treasury and the IRS guidance can be accessed at this [link](#).**

What is the wage threshold amount for determining who will have their Social Security tax (OASDI) withholdings deferred through the end of calendar year 2020?

If your wages subject to OASDI are less than \$4,000 per pay period, OASDI taxes will be deferred. Wages subject to OASDI are gross wages less Federal Employees Health Benefits (FEHB), Dental, Vision, and Health/Flexible Spending Accounts (HSA/FSA).

Does premium pay (i.e. overtime) impact the OASDI tax deferral?

Yes. If the premium pay increases wages (subject to OASDI) to \$4,000 or above in any given pay period, the OASDI tax will not be deferred. The tax deferral is calculated on a pay period-by-pay period basis and as such, will vary based on the employee's wages at or above the wage threshold.

When will the payroll tax deferral begin?

We have not received confirmation from the National Finance Center (NFC) as to when the tax deferral will be implemented. Another bulletin will be released once the NFC confirms the pay period implementation date.

Will I be required to pay back the Social Security taxes that are deferred?

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.

How much will be collected to repay the deferred Social Security taxes each pay period starting in January 1, 2021 through April 30, 2021?

Additional bulletins with more information on the collection of the deferred Social Security taxes will be released as the information becomes available.

How will this affect my 2020 and 2021 W-2?

As more information and guidance becomes available from the IRS on how the deferral and collections affect your 2020 and 2021 W-2s, it will be released in additional bulletins.

Does the Social Security (OASDI) tax deferral impact contributions to my Thrift Savings Plan (TSP) account?

No. The OASDI amount collected/deferred does not have an impact on wages that are used to calculate your TSP contributions.

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](#).