

WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) REQUEST FORM

#10c

Date: 09/10/20

Weekly Agenda Date: 09/15/20

ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN: Auditor Pat Gill

WORDING FOR AGENDA ITEM:

Discussion and action on social security tax withholding deferment

ACTION REQUIRED:

Approve Ordinance

Approve Resolution

Approve Motion

Public Hearing

Other: Informational

Attachments

EXECUTIVE SUMMARY:

The IRS has issued guidance regarding the Presidential Memorandum regarding Social Security Tax Withholding Deferment. InCode has an update available for the tax deferment, but it is up to us to decide if we want to take advantage of the deferment. The upgrade is available on the 16th. Our external auditor advises against opting in to the deferment since there are still some questions on how it gets repaid with the potential of withholding twice as much in 2021 to account for the deferred taxes.

BACKGROUND:

The Department of Treasury and Internal Revenue Service issued guidance (PDF) implementing the Presidential Memorandum issued on August 8, 2020, allowing employers to defer withholding and payment of the employee's portion of the Social Security tax if the employee's wages are below a certain amount.

Notice 2020-65, posted on IRS.gov, makes relief available for employers and generally applies to wages paid starting September 1, 2020, through December 31, 2020.

FINANCIAL IMPACT:

The employee Social Security tax deferral may apply to payments of taxable wages to an employee that are less than \$4,000 during a bi-weekly pay period, with each pay period considered separately.

IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?

Yes No

RECOMMENDATION:

Discuss and approve opting out of the social security deferment option.

ACTION REQUIRED / PROPOSED MOTION:

Motion to approve to opt out of the social security deferment option.