

To: Our Clients

RE: Executive Order Allowing for Deferral of Employee Social Security Taxes

As you may have seen, President Trump signed an Executive Order on August 8, 2020 allowing employees that earn \$4,000 or less bi-weekly (or the equivalent threshold amount with respect to other pay periods) the option to defer their Social Security taxes effective for wages paid September 1, 2020 through December 31, 2020.

On August 28, the IRS issued partial guidance on the requirements. Due to the need for additional details of the implementation and reporting requirements, no features are available in our system at this time.

We will continue to monitor changes and will provide updates as they become available. We are looking forward to further clarification on:

- opt in/opt out requirements
- reporting requirements
- both employee and employer responsibilities

Please visit the IRS for the latest update <https://www.irs.gov/newsroom/guidance-issued-to-implement-presidential-memorandum-deferring-certain-employee-social-security-tax-withholding>.

We appreciate your patience and understanding as we continue to navigate these unprecedented times. Thank you.

The Management Team of CSC Paymaster, Inc.  
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