



Shimkus Warns Workers About Payroll Tax Deferral

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WASHINGTON – Congressman John Shimkus (R, Illinois-15) today has a word of caution for workers and a reminder for non-tax filers related to recent federal actions.

On August 8, President Donald Trump signed an executive order allowing employers to defer some Social Security payroll taxes for employees earning less than \$4,000 in a biweekly pay period. While the deferral is optional for private sector employers, those working for the federal government or serving in the military will see a temporary increase in their paychecks in the pay period beginning September 1.

"What folks need to understand is that this is a tax deferral, not a tax cut," Shimkus cautioned. "If your employer is not withholding your 6.2 percent contribution to Social Security through the end of this year, they will have to collect that from you during the first four months of 2021."

Shimkus also reminded individuals who do not typically file tax returns that they must register with the Internal Revenue Service (IRS) to receive their Economic Impact Payment if they have not already done so. The so-called "stimulus" payments were authorized by the bipartisan CARES Act, which was signed into law on March 27.

"In response to the economic disruption caused by the pandemic and state-imposed lockdowns, Congress authorized payments of up to \$1,200 for qualifying individuals and \$500 per qualifying child under age 17," Shimkus explained. "The IRS estimates 9 million non-tax filers who may be eligible for those payments have not received them."

Beginning later this month those individuals will receive a letter from the IRS with instructions they need to claim those funds. Recipients of the letters can use the "Non-Filers: Enter Payment Info" on IRS.gov by October 15 in order to receive their payment by the end of the year. They may also wait until next year and claim it as a credit on their 2020 federal income tax return by filing in 2021.