

e-Alert

10.06.21

Employer Deferred Social Security Repayments – Next Steps!

Background

As part of the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), employers were able to defer the employer and employee portions of social security tax payments to help relieve any hardship caused by the COVID-19 pandemic.

Summary

The IRS will issue quarterly statements via Notice-C256-V. These notices will come to employers during October and November and will include the amounts of deferred tax payments for your organization.

Payments are due to the IRS in installments:

- 100% of the employee portion, and 50% of the employer portion of deferred social security taxes for FY21 are due no later than December 31, 2021.
- The remaining 50% of the employer portion of deferred social security taxes for FY21, and **all** deferred social security taxes for FY22 are due no later than December 31, 2022.

ADP will debit the first installment of these payments on December 8, 2021. If you do not wish to have ADP pay these funds on your behalf, your request to ADP must be received

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in writing by December 3, 2021.

Penalties for late payments will be assessed on the amount of the total deferred social security, not the amount of the installment.

Employer Next Steps

- If you are a Full-Service or Managed Payroll client, and ADP **does** have Reporting Agent Authorization, they will make these payments on your behalf.
- If you are a Full-Service or Managed Payroll client, any Notice-C256-V notices that are received will be uploaded into the ADP portal. **To ensure timely payment, immediately upload any additional notices you receive and share these with your Client Account Manager.**
- If you are a Full-Service or Managed Payroll client, and ADP **does not** have Reporting Agent Authorization, you will need to make these payments directly to the IRS.
- If you have additional questions about the information in this e-Alert, please [email US](#).

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