

Old Age, Survivors, and Disability Insurance (OASDI) Tax Deferral Repayment

A Presidential Memorandum was issued in August 2020, along with guidance from the Internal Revenue Service to temporarily defer OASDI (Social Security) tax withholdings to provide relief during the COVID-19 pandemic. The deferral was effective September 2020 through the end of the 2020 calendar year.

The deferred OASDI taxes will be collected from wages January 1 through December 31, 2021. The amount of Social Security taxes deferred in 2020 will be collected in 24 installments between pay periods ending January 16 and December 4, 2021.

Beginning in January 2021, the myPay LES Remarks section will show the 2020 deferred OASDI collection amount as well as employee's remaining balance to be collected.

Civilian employees subject to the OASDI tax deferral, who separate or retire before the deferred tax is collected in full, are still responsible for the tax repayment. The unpaid balance will be collected from their final pay. If there are insufficient funds to collect the full amount, they may receive a debt letter with instructions for repayment.

Visit <https://www.dfas.mil/taxes/Social-Security-Deferral/> or refer to the attached *Civilian Collection Fact Sheet* for additional details.



Questions?

Contact: dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil