**Updated Payroll Tax Deferral Repayment Process**

**TO:** Employees
**SUBJECT:** Updated Payroll Tax Deferral Repayment Process

##### New repayment process established for Pay Period 2021-06 (ending March 13, 2021), which will be consistently applied the rest of the 2021 pay year

## Background

In accordance with the [Presidential Memorandum dated August 8, 2020](https://trumpwhitehouse.archives.gov/presidential-actions/memorandum-deferring-payroll-tax-obligations-light-ongoing-covid-19-disaster/), IBC deferred OASDI payroll taxes during pay periods 2020-19 through 2020-26 (September 1 through December 31, 2020) for employees who had wages subject to OASDI of less than $4,000 in any given pay period.

## Updated Process

Starting Pay Period 2020-01, repayment for the deferral started for most impacted employees (repayment for IBC employees who were in a leave without pay, suspension, military furlough, or workers compensation status started in Pay Period 2020-02).

Our Payroll Operations Division has not been given specific guidance on how to collect the repayment, so they have been establishing repayment procedures in the best interest of our employees and to avoid any unintended consequences related to the OASDI tax deferral. In Pay Period 2021-04, the Payroll Operations Division determined that the repayment schedule established needed to be reevaluated. They established a new repayment process for Pay Period 2021-06 (ending March 13, 2021) and will consistently apply it the rest of the 2021 pay year.

If you are impacted by this repayment, and you separate during the 2021 pay year, the Payroll Operations Division will deduct the balance from any lump sum payment, and any remaining amount will be created as a debt.

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## Resources

[Payroll Tax Deferral and Repayment FAQs – IBC Customer Central](https://ibc.doi.gov/HRD/FAQs)

## Questions

For all pay and leave related questions, please contact the Customer Support Center at 1-720-673-9958 or CSC\_IT\_Services\_HelpDesk@ios.doi.gov.