



National Finance Center Customer Notification

Deferral of the Old Age, Survivors and Disability Insurance (OASDI) Deductions

August 21, 2020

Reference Number: NFC-1597683008

Dear Customer:

On August 8, 2020, the President signed an Executive Order to defer employees OASDI deductions due to COVID-19. The National Finance Center (NFC) is preparing to make system modifications to the Payroll/Personnel System effective for pay period (PP) 17, 2020, payroll processing which is the first PP to be paid after September 1, 2020.

NFC will eliminate the OASDI employee deductions for all employees whose gross social security wages that are less than \$3999.99. We will continue to calculate and remit the employer portion of OASDI. With that being said, the elimination of the withholding will vary by employee by PP, based upon any changes in their gross social security wages.

For example:

Employees whose normal wages would not exceed the \$3999.99 but who are working a tremendous number of hours due to COVID or other circumstances that increase their wages over the \$3999.99, would have OASDI withheld from their salary.

The elimination of employee deductions is only applicable to those employees who are in a retirement coverage code where OASDI is normally deducted and will not impact those who do not normally have OASDI withheld (e.g. Civil Service Retirement System (CSRS) employees).

The executive order refers to the fact that this is a deferral of the deductions, and Treasury should look to have legislation put in place so that employees do not have to pay back these deferred amounts. NFC will provide additional information as it becomes available.

Please direct any questions regarding this notice to Client Management at Client.Management@usda.gov.