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ILLINOIS STATE COMPTROLLER

PAYROLL BULLETIN

TO: All State Agencies, Boards and Commissions
FROM: Ellen Andres, Assistant Comptroller - Operations
DATE: August 27, 2020
SUBJECT: Federal Memorandum on Deferring Payroll Tax Obligations
NUMBER: 7-20

On August 8, 2020 President Trump signed the [Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster](#). It directs the Secretary of the Treasury to defer certain payroll taxes beginning September 1, 2020 and to issue guidance on the technical aspects of how the deferral and payment process will be implemented. The memo directs the Secretary to:

... use his authority pursuant to 26 U.S.C. 7508A to defer the withholding, deposit, and payment of the tax imposed by 26 U.S.C. 3101(a), and so much of the tax imposed by 26 U.S.C. 3201 as is attributable to the rate in effect under 26 U.S.C. 3101(a), on wages or compensation, as applicable, paid during the period of September 1, 2020, through December 31, 2020, subject to the following conditions....

26 U.S.C. 3101 (a) is referring to the employee portion of the Social Security deductions. For most employees this is a 6.2% deduction that is held from payroll checks and submitted by the Illinois Office of Comptroller (IOC) to the Social Security Administration along with the employer's match.

As of today, there has been no guidance from the US Department of Treasury. Absent this guidance, the IOC has decided that the payroll process beginning on September 1 will remain unchanged. When information or technical guidance is issued and a change is required to the current process, the IOC will send out a Payroll Bulletin.

If you have any questions concerning this Accounting Bulletin, please contact Katie Guy at katie.guy@illinoiscomptroller.gov. Agencies may access this and other [Accounting](#), [Payroll](#), and [SAMS](#) bulletins on the IOC website.