



# CARES Act ER FICA Deferral

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allows certain employers to defer their portion of social security payments for the remainder of 2020 check dates. Repayment is to be made according the following schedule: 50% due 12/31/2021, 50% due 12/31/2022.

## Electing the Deferral

### Upon Confirmation of the Deferral Election:

- ✓ Inflection HR will update all EIN(s) in the system and tax software to indicate your request to defer the ER portion of the calculated FICA tax.
- ✓ The ACH debit or Reverse Wire transaction sent to your account will be net of the ER portion of the FICA tax and that amount will not be remitted on your behalf.
- ✓ Please carefully review the COVID-19 regulations to ensure taking advantage of this deferral is the most beneficial course for your organization. Specifically, organizations that take advantage of a **Paycheck Protection loan program** will **not be eligible** for the deferral once the PPP loan forgiveness has been approved.
- ✓ IHR will confirm when the deferral has been configured and you may proceed with submitting payrolls.

**\*\*\*PAYROLLS SUBMITTED PRIOR TO THE DEFERRAL BEING CONFIGURED CANNOT BE ADJUSTED\*\*\***

## Identifying the Deferred Amount

The Payroll Funding & Recap Report now includes a section to identify COVID-19 related Credits & Deferrals. (1)

When the report is generated **prior to payroll being finalized**, the Credits and ER Deferral amounts will show on the report, but the Cash Requirement will **not be net** of that amount.

**After payroll is finalized** the Cash Requirements **will be reduced by the amount** of the Credits & Deferrals.

- + Total from Taxes Section (2)
- Credits and Deferrals listed in FFCRA / CARES Act Section (1)
- = Tax Payments Cash Requirements in Recap Section (3)

Taxes			
	EIN	EE's	\$ Amount
FIT/EE	95-5554320	1	1,284.34 <sup>D</sup>
FUTA/ER (0.60%)	95-5554320	1	11.70 <sup>D</sup>
FICA/ER	95-5554320	1	310.00 <sup>D</sup>
FICA/EE	95-5554320	1	316.20 <sup>D</sup>
MEDI/ER	95-5554320	1	73.95 <sup>D</sup>
MEDI/EE	95-5554320	1	73.95 <sup>D</sup>
SIT:NY/EE		1	355.71 <sup>D</sup>
SUTA_SC:NY/ER	95-5554320	1	3.83 <sup>D</sup>
SDI:NY/EE		1	0.59 <sup>D</sup>
New York Family/EE		1	0.41
NY Waterfront P/ER		1	91.80 <sup>D</sup>
SUTA:NY/ER (3.50%)	95-5554320	1	178.50 <sup>D</sup>
CITY:New York C/EE		1	206.82 <sup>D</sup>
-- More --			

Taxes - Continued			
	EIN	EE's	\$ Amount
<b>Total</b>			<b>2,907.80</b>
(D) KSBTestCompany Admin Debit			<b>-2,907.39</b>

Recap			
KSBTestCompany Ad	Date	Bank Account #	\$ Amount
Tax Payment	04/14/2020	xxxxx6999	2,495.94
Empl. Checks SPA	04/14/2020	xxxxx2111	2,861.98
<b>Total Debits</b>			<b>5,357.92</b>
<b>Cash Requirements: xxxxx6999</b>			<b>\$ Amount</b>
Tax Payment			2,495.94
<b>Cash Requirements: xxxxx2111</b>			<b>\$ Amount</b>
Empl. Checks SPA			2,861.98

Families First Coronavirus Response Act/CARES Act		
Earnings	EE's	\$ Amount
FFCRA FMLA 10 Weeks	1	100.00
<b>Total</b>		<b>100.00</b>
<b>Federal Taxes</b>		
FIT/EE	1	1,284.34
FICA/ER	1	310.00
FICA/EE	1	316.20
MEDI/ER	1	73.95
MEDI/EE	1	73.95
<b>Total</b>		<b>2,058.44</b>
FFCRA Wage Credit		-100.00
FFCRA Medi Credit		-1.45
<b>Total Liability Before Deferral</b>		<b>1,956.99</b>
<b>Available ER OASDI Tax Deposit Deferral</b>		<b>-310.00</b>
<b>Your Remaining Federal Tax Liability</b>		<b>1,646.99</b>
<b>Available FFCRA Refund</b>		<b>0.00</b>

This is for informational purposes only. It is the employer's responsibility to ensure they are eligible for regulations outlined in both the FFCRA and CARES Acts including any imposed limitations.