

MEMORANDUM

To: State of Kansas Employees

From: DeAngela Burns-Wallace, Secretary

Date: September 18, 2020

Subject: Notice to State Employees of Payroll Tax Deferral Decision

Recently, a Presidential Executive Memorandum and additional guidance from the IRS provided the option for employers to implement a payroll tax deferral of 6.2% from September – December 2020 for employee paychecks under a specific threshold. For employees, the tax deferral program would only delay, not forgive, the responsibility for those taxes. Employees would be responsible for paying back the deferred taxes, essentially doubling that tax withholding from employee paychecks issued January – April 2021 and reducing employee take-home pay during that time.

The State of Kansas closely evaluated the IRS guidance and considered the impact to the paychecks and budgets of hard-working employees who would be required to balance the short-term increase provided by the deferral with the future reduction of net pay during the collection period. The State of Kansas would also be responsible for ensuring the collection of the tax liability by acting to recover the outstanding taxes if an employee left state employment before the deferred taxes were collected.

After careful consideration of all these factors, the administration has determined that the State of Kansas will not implement the payroll tax deferral program for state employees.

If you have any questions, please contact your HR Office. Stay safe and healthy and thank you for your dedication as a state employee!