

2020 Taxbrief



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2020 Payroll Tax Deposit Rules, Regulations, and Deadlines

For additional information on any of the topics discussed in this Taxbrief, please consult IRS Publication 15 (Circular E), Employer's Tax Guide or Publication 509, Tax Calendars. Both of these publications are available at [irs.gov](https://www.irs.gov)

Federal Tax Payments

Effective Jan. 1, 2011, federal taxes must be paid via the Electronic Federal Tax Payment System (EFTPS®) unless you owe \$2,500 or less with your quarterly Form 941. Details for enrolling in EFTPS are available at [eftps.gov](https://www.eftps.gov).

The Paychex Taxpay® service offers an easy solution for EFTPS payroll tax enrollment and depositing. For more information visit [paychex.com](https://www.paychex.com).

FICA Limits	2019	2020
Social Security (OASDI) Wage Base	\$132,900.00	\$137,700.00
Medicare Wage Base	No Limit	No Limit
OASDI Percentage	6.2%	6.2%
HI Percentage	1.45% (2.35% for individuals earning over \$200,000)	1.45% (2.35% for individuals earning over \$200,000)
Maximum OASDI Withholding	\$8,239.80	\$8,537.40
Maximum HI Withholding	No Limit	No Limit
Maximum FICA Withholding	No Limit	No Limit

For self-employed individuals, the 2020 social security wage base is \$137,700 with the social security tax rate remaining at 12.4%. There is no Medicare wage limit, and the Medicare tax rate remains at 2.9% (3.8% for those individuals earning more than \$200,000). The tax applies to the net earnings from self-employment.

Federal Tax Deposit Rules

It is the employer's responsibility to determine the correct frequency they should be using to deposit federal taxes.

1. An employer is a monthly depositor for 2020 if the aggregate amount of employment taxes reported for the period July 1, 2018 to June 30, 2019 is \$50,000 or less, unless a daily deposit is required as explained in Rule 3 on this page. Deposits are due on the 15th of the following month. If the 15th falls on a holiday or weekend, the due date is extended to the next banking day.

Note: *New businesses deposit using the monthly deposit rule, unless a daily deposit is required under Rule 3.*

2. An employer is a semi-weekly depositor for 2020 if the aggregate amount of employment taxes reported for the period July 1, 2018 to June 30, 2019 exceeds \$50,000. Deposits for payments made on Wednesday, Thursday, and/or Friday are due on or before the following Wednesday. Deposits for payments made on Saturday, Sunday, Monday, and/or Tuesday are due on or before the following Friday. In the event of a holiday, employers have three banking days from the end of the semi-weekly period to deposit.

Note: *Semi-weekly depositors with an accumulated unpaid liability of \$100,000 or more during the deposit period must deposit within one banking day of the payroll check date, as stated in Rule 3.*

If the semi-weekly period includes the end of the first month of the quarter and the beginning of the second month, or the end of the second month and the beginning of the third month, only one deposit is required. If an employer has payroll for two different reporting quarters within the same semi-weekly period, two deposits must be made.

3. Employers with an accumulated unpaid liability of \$100,000 or more during the deposit period must deposit within one banking day of the payroll check date. When a monthly depositor is subject to this rule, that employer immediately becomes a semi-weekly depositor for the rest of 2020 and for 2021. Also, any monthly depositor who had a deposit

of \$100,000 or more between Jan. 1, 2019, and Dec. 31, 2019, is considered a semi-weekly depositor for the rest of 2019 and for 2020.

4. Form 941 employers with accumulated liability of less than \$2,500 for the entire quarter may deposit or remit the amount with a timely filed Form 941, *Employer's Quarterly Federal Tax Return*.

5. Form 944 employers with accumulated liability of less than \$2,500 for the entire year may deposit or remit the amount with a timely filed Form 944, *Employer's Annual Federal Tax Return*.



Federal Tax Return Due Dates

Form	Period	Due Date
940, Deposit of Unemployment Taxes	For companies with an accumulated unpaid liability over \$500 through Dec. 2019	Jan. 31
940, Annual Federal Unemployment Tax Return	For tax year 2019 with undeposited taxes of \$500 or less	Jan. 31
941, Quarterly Federal Tax Return	For fourth quarter 2019 (10/1-12/31)	Jan. 31
944, Annual Federal Tax Return	For tax year 2019 with undeposited taxes of \$2,500 or less	Jan. 31
1096, Annual Summary and Transmittal of U.S. Information Returns with Forms 1099	For tax year 2019 <i>Note: The electronic filing due date is also Jan. 31</i>	Jan. 31
W-3, Transmittal of Income and Tax Statements with Forms W-2 (Copy A)	For tax year 2019 <i>Note: The electronic filing due date is also Jan. 31</i>	Jan. 31
941, Quarterly Federal Tax Return	For fourth quarter 2019 (10/1-12/31) if all taxes were deposited when due	Feb. 10
944, Annual Federal Tax Return	For tax year 2019 if all taxes were deposited when due	Feb. 10
940, Annual Federal Unemployment Tax Return	For tax year 2019 if all taxes were deposited when due	Feb. 10
8027, Employer's Annual Information Return of Tip Income and Allocated Tips, and if required, Form 8027-T Transmittal	For tax year 2019 <i>Note: The electronic filing due date is March 31</i>	March 2
940, Deposit of Unemployment Taxes	For companies with an accumulated unpaid liability over \$500 through March 2020	April 30
941, Quarterly Federal Tax Return	For first quarter 2020 (1/1-3/31)	April 30
941, Quarterly Federal Tax Return	For second quarter 2020 (4/1-6/30) if all taxes were deposited when due	May 11
940, Deposit of Unemployment Taxes	For companies with an accumulated unpaid liability over \$500 through June 2020	July 31
941, Quarterly Federal Tax Return	For second quarter 2020 (4/1-6/30)	July 31
941, Quarterly Federal Tax Return	For second quarter 2020 (4/1-6/30) if all taxes were deposited when due	Aug. 10
940, Deposit of Unemployment Taxes	For companies with an accumulated unpaid liability over \$500 through Sept. 2020	Nov. 2
941, Quarterly Federal Tax Return	For third quarter 2020 (7/1-9/30)	Nov. 2
941, Quarterly Federal Tax Return	For third quarter 2020 (7/1-9/30) if all taxes were deposited when due	Nov. 10
940, Deposit of Unemployment Taxes	For companies with an accumulated unpaid liability over \$500 through Dec. 2020	Feb. 1, 2021
940, Annual Federal Unemployment Tax Return	For tax year 2020 with undeposited taxes of \$500 or less	Feb. 1, 2021
941, Quarterly Federal Tax Return	For fourth quarter 2020 (10/1-12/31)	Feb. 1, 2021
944, Annual Federal Tax Return	For tax year 2020 (1/1-12/31)	Feb. 1, 2021
941, Quarterly Federal Tax Return	For fourth quarter 2020 (10/1-12/31) if all taxes were deposited when due	Feb. 10, 2021
940, Annual Federal Unemployment Tax Return	For tax year 2020 if all taxes were deposited when due	Feb. 10, 2021

Federal Tax Deposit Due Dates

Semi-weekly Deposit Due Dates

Calculate the accumulated tax liability. If the unpaid liability is \$100,000 or more, then the deposit is due within one banking day of the payroll check date. A monthly depositor who accumulates \$100,000 or more is required to follow the semi-weekly rule for the rest of 2020 and for 2021.

First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Payroll Check Date	Due Date	Payroll Check Date	Due Date	Payroll Check Date	Due Date	Payroll Check Date	Due Date
Jan. 1–3	Jan. 8	April 1–3	April 8	July 1–3	July 8	Oct. 1–2	Oct. 7
Jan. 4–7	Jan. 10	April 4–7	April 10	July 4–7	July 10	Oct. 3–6	Oct. 9
Jan. 8–10	Jan. 15	April 8–10	April 15	July 8–10	July 15	Oct. 7–9	Oct. 15 ⁶
Jan. 11–14	Jan. 17	April 11–14	April 17	July 11–14	July 17	Oct. 10–13	Oct. 16
Jan. 15–17	Jan. 23 ¹	April 15–17	April 22	July 15–17	July 22	Oct. 14–16	Oct. 21
Jan. 18–21	Jan. 24	April 18–21	April 24	July 18–21	July 24	Oct. 17–20	Oct. 23
Jan. 22–24	Jan. 29	April 22–24	April 29	July 22–24	July 29	Oct. 21–23	Oct. 28
Jan. 25–28	Jan. 31	April 25–28	May 1	July 25–28	July 31	Oct. 24–27	Oct. 30
Jan. 29–31	Feb. 5	April 29–May 1	May 6	July 29–31	Aug. 5	Oct. 28–30	Nov. 4
Feb. 1–4	Feb. 7	May 2–5	May 8	Aug. 1–4	Aug. 7	Oct. 31–Nov. 3	Nov. 6
Feb. 5–7	Feb. 12	May 6–8	May 13	Aug. 5–7	Aug. 12	Nov. 4–6	Nov. 12 ⁷
Feb. 8–11	Feb. 14	May 9–12	May 15	Aug. 8–11	Aug. 14	Nov. 7–10	Nov. 16 ⁷
Feb. 12–14	Feb. 20 ²	May 13–15	May 20	Aug. 12–14	Aug. 19	Nov. 11–13	Nov. 18
Feb. 15–18	Feb. 21	May 16–19	May 22	Aug. 15–18	Aug. 21	Nov. 14–17	Nov. 20
Feb. 19–21	Feb. 26	May 20–22	May 28 ³	Aug. 19–21	Aug. 26	Nov. 18–20	Nov. 25
Feb. 22–25	Feb. 28	May 23–26	May 29	Aug. 22–25	Aug. 28	Nov. 21–24	Nov. 30 ⁸
Feb. 26–28	March 4	May 27–29	June 3	Aug. 26–28	Sept. 2	Nov. 25–27	Dec. 2
Feb. 29–March 3	March 6	May 30–June 2	June 5	Aug. 29–Sept. 1	Sept. 4	Nov. 28–Dec. 1	Dec. 4
March 4–6	March 11	June 3–5	June 10	Sept. 2–4	Sept. 10 ⁵	Dec. 2–4	Dec. 9
March 7–10	March 13	June 6–9	June 12	Sept. 5–8	Sept. 11	Dec. 5–8	Dec. 11
March 11–13	March 18	June 10–12	June 17	Sept. 9–11	Sept. 16	Dec. 9–11	Dec. 16
March 14–17	March 20	June 13–16	June 19	Sept. 12–15	Sept. 18	Dec. 12–15	Dec. 18
March 18–20	March 25	June 17–19	June 24	Sept. 16–18	Sept. 23	Dec. 16–18	Dec. 23
March 21–24	March 27	June 20–23	June 26	Sept. 19–22	Sept. 25	Dec. 19–22	Dec. 28 ⁹
March 25–27	April 1	June 24–26	July 1	Sept. 23–25	Sept. 30	Dec. 23–25	Dec. 30
March 28–31	April 3	June 27–30	July 6 ⁴	Sept. 26–29	Oct. 2	Dec. 26–29	Jan. 4, 2021 ¹⁰
				Sept. 30	Oct. 7	Dec. 30–31	Jan. 6, 2021
Holidays							
¹ Jan. 20		Martin Luther King, Jr. Day		⁶ Oct. 12		Columbus Day	
² Feb. 17		Presidents' Day		⁷ Nov. 11		Veterans Day	
³ May 25		Memorial Day		⁸ Nov. 26		Thanksgiving Day	
⁴ July 3		Independence Day		⁹ Dec. 25		Christmas Day	
⁵ Sep. 7		Labor Day		¹⁰ Jan. 1, 2021		New Year's Day	

Federal Tax Deposit Due Dates

Monthly Deposit Due Dates

First Quarter	
Month Tax Liability Incurred	Due Date
January 2020	Feb. 18, 2020
February 2020	March 16, 2020
March 2020	April 15, 2020

Second Quarter	
Month Tax Liability Incurred	Due Date
April 2020	May 15, 2020
May 2020	June 15, 2020
June 2020	July 15, 2020

Third Quarter	
Month Tax Liability Incurred	Due Date
July 2020	Aug. 17, 2020
August 2020	Sep. 15, 2020
September 2020	Oct. 15, 2020

Fourth Quarter	
Month Tax Liability Incurred	Due Date
October 2020	Nov. 16, 2020
November 2020	Dec. 15, 2020
December 2020	Jan. 15, 2021

Quarterly Deposit Due Dates

If an employer is unsure that liability will be less than \$2,500 for a quarter, it would be prudent to deposit in accordance with the monthly deposit rule. When the accumulated liability is \$2,500 or more in a quarter, an employer is subject to deposit penalties if monthly deposits were not made.

Quarter	Period	Due Date
1	For employers who accumulated less than \$2,500 in federal taxes during the first quarter (1/1-3/31)	April 30, 2020 Remit with Form 941
2	For employers who accumulated less than \$2,500 in federal taxes during the second quarter (4/1-6/30)	July 31, 2020 Remit with Form 941
3	For employers who accumulated less than \$2,500 in federal taxes during the third quarter (7/1-9/30)	Nov. 2, 2020 Remit with Form 941
4	For employers who accumulated less than \$2,500 in federal taxes during the fourth quarter (10/1-12/31)	Feb. 1, 2021 Remit with Form 941

Insurance offered through Paychex Insurance Agency, Inc., 150 Sawgrass Dr., Rochester, NY 14620. CA license #0C28207. The Paychex Insurance Agency Workers' Compensation Payment Service is available in all states except Alaska, North Dakota, Ohio, Washington, and Wyoming.

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