Forklifts of St. Louis, Inc.

4720 LaGuardia Drive
St. Louis, MO 63134
(314) 426-4040 phone
(314) 427-5490 fax

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All Employees,

As many of you may have heard or read, on August 8th, President Trump issued an Executive Order providing the option to defer the withholding, deposit, and payment of certain payroll tax obligations (i.e. the 6.2% FICA tax on your paychecks). Please note, this deferral is only for 4 months (September 1, 2020 to December 31, 2020) and any amounts initially deferred are required to be repaid over during the pay periods of January 1, 2021 to April 30, 2021 and this repayment will be in addition to the normal withholding during that period.

Employees whose wages paid for a bi-weekly payroll period are less than $4,333.33 are eligible for the deferral.

This Executive Order was rushed through and current guidance is minimal. The Order only defers the tax it does not forgive the tax. Repayment will cause the Employee to be double taxed during the repayment 4 months (normal 6.2% + deferred 6.2%). This Order was specifically designed to provide cash flow in the short run for those employees who may have been furloughed or had their wages or hours reduced. It is our opinion that there is little upside to the Employee (with deferral followed by repayment plus normal withholding) while creating potential harm to our employees' cash flow in early 2021. Employers are NOT required to defer the withholdings under this Order.

Due to the fact that there are no clear rules or guidance concerning various aspects in the administration and tracking of the deferral, Forklifts of St. Louis, Inc. (as most Employers) has decided that we will not be proceeding with the election to defer payroll taxes under this Order.

If you have any concerns or questions with this deferral decision, please contact Sharon McBride at smcbride@flstl.com or 314-426-4040 x5113 or Makayla Anderson at manderson@flslt.com or 314-568-3790