

Cooley

PPP Loan Forgiveness No Longer an Exception to CARES Act Social Security Tax Deferral

June 11, 2020

As [previously reported](#), Section 2302 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) allows an employer to defer the deposit and payment of the employer's share of Social Security tax that otherwise would be required to be deposited and paid during the period beginning March 27, 2020, and ending December 31, 2020. The CARES Act had provided that the deferral was not available to an employer that had indebtedness forgiven under the CARES Act's Paycheck Protection Program (PPP). The recently enacted Paycheck Protection Program Flexibility Act eliminates that exception. Thus, an employer that has had indebtedness forgiven under the PPP is not prohibited from utilizing the CARES Act's Social Security tax deferral.

This content is provided for general informational purposes only, and your access or use of the content does not create an attorney-client relationship between you or your organization and Cooley LLP, Cooley (UK) LLP, or any other affiliated practice or entity (collectively referred to as "Cooley"). By accessing this content, you agree that the information provided does not constitute legal or other professional advice. This content is not a substitute for obtaining legal advice from a qualified attorney licensed in your jurisdiction and you should not act or refrain from acting based on this content. This content may be changed without notice. It is not guaranteed to be complete, correct or up to date, and it may not reflect the most current legal developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. This content may be considered **Attorney Advertising** and is subject to our [legal notices](#).

Key Contacts

Eileen Marshall Washington, DC	emarshall@cooley.com +1 202 728 7083
-----------------------------------	---

This information is a general description of the law; it is not intended to provide specific legal advice nor is it intended to create an attorney-client relationship with Cooley LLP. Before taking any action on this information you should seek professional counsel.

Copyright © 2023 Cooley LLP, 3175 Hanover Street, Palo Alto, CA 94304; Cooley (UK) LLP, 22 Bishopsgate, London, UK EC2N 4BQ. Permission is granted to make and redistribute, without charge, copies of this entire document provided that such copies are complete and unaltered and identify Cooley LLP as the author. All other rights reserved.