

President Trump's August 8, 2020 Executive Orders



On August 8, 2020, President Trump issued four Executive Orders/Memoranda to provide relief to Americans in light of the COVID-19 pandemic and the stalemate in Congress. These Executive Orders/Memoranda include a temporary deferral of payroll taxes, new temporary wage loss assistance for the unemployed, continued federal student loan relief for borrowers, and the use of federal funds to assist renters and homeowners facing financial hardship to avoid evictions and foreclosures.

The following is a brief overview of the Executive Orders affecting employers and their employees.

Deferral of Payroll Taxes

The U.S. Treasury was directed to halt collection of *employee* payroll taxes from September 1 - December 31, 2020, for workers earning less than \$4,000 every two weeks (or approximately \$104,000/year). For the affected employees, employers will not withhold 6.2% of the employee's pay for the *employee's share* of social security, resulting in higher take-home pay. Employees earning more than \$104,000/year are unaffected. In its current form, this is a tax deferral, not a tax cut or forgiveness. Employees will still owe the taxes, if Congress does not pass legislation converting the tax deferral to a tax cut.

Lost Wage Assistance for Unemployed

Under the Lost Wage Assistance Program, the federal government would bear 75% of the cost to provide extra unemployment benefits of \$400/week. States would be eligible for federal funds of \$300/week for each eligible claimant, but would be responsible for the remaining \$100/week payment using the state's share of the Coronavirus Relief Fund or its own funds. The cost sharing program begins the week ending August 1, 2020 and terminates the week ending December 6, 2020, or when the Disaster Relief fund is decreased to \$25 billion, whichever occurs first. Note that each state must agree to participate in the Program in order to receive the federal funding. Based on a statement issued by Governor Whitmer on August 9, 2020, it seems that Michigan will not agree to the cost-sharing aspect of the Program and, thus, the extra benefits will NOT be provided in Michigan.

Note, the Program also provides that it will terminate upon enactment of legislation providing supplemental federal unemployment compensation, or similar compensation, for unemployed or underemployed individuals.

These relief efforts are still being addressed by Congress. **Accordingly, employers should await further direction from Washington - hopefully before September 1.**

This memo is intended only as a summary and general overview. If you have any questions or would like legal advice regarding the above or any other employment issue, please contact [David A. Lawrence](#) or [Stacey DiDomenico](#).