

Dear Client:

This past weekend, President Trump signed into law 4 Executive Orders for additional continued relief on the Coronavirus economic impact.

Our office has been waiting for Congress to pass new laws as promised to address continued unemployment benefits, additional individual stimulus checks and many other important topics.

We are taking the position that there will be more laws to be passed most likely sooner than later (within days or weeks), especially since the legality of these Executive Orders are being questioned and the implementation of the new laws may take time to construct and execute.

Therefore, please stand by for more guidance from us via email and zoom calls that may be handled by the end of this week or next week as negotiations continue with Congress.

For our business clients, that means we will **NOT adjust payroll tax deductions** until further notice.

We may implement and execute the changes as early as this week, but not as of this moment as we research and review further the legalities and some concrete direction.

Below is a quick summary of the 4 Executive Orders and some comments:

1. The **deferral of the 6.2% Social Security tax** for salaries under \$104,000 annualized on employees paychecks pending to become a permanent cut for 2020 if Trump is re-elected. *(This is an issue because deferral creates an accounting payroll tax problem potentially later upon tax filing for individuals if not made into a permanent payroll tax cut in 2020. We await more clarity).*
2. The extension of **federal unemployment benefits** to those still collecting unemployment benefits as of August 1st 2020 of only \$400 (previous \$600) with the requirement that the Governor of the state for those unemployed contribute \$100 of the \$400 to the cost. Therefore, only \$300 funded from Federal appropriations and \$100 from the respective state of the unemployed recipient. The state must commit to this plan or no unemployment benefits will be extended and funded by the Federal government to those states. This law extension expires December 6th 2020 or when funding appropriations have been exhausted. *(This is obviously going to create issues for many states that claim to need bailouts as per prior negotiated proposals. For that reason I feel this is law will be pending some changes and/or clarity).*
3. **Federal funded students loans** have been suspended of interest charges and loan payments till December 31, 2020. *(Good idea !! Now how about making all student loans funded by the federal government at 1% and eliminate the excessively charging 3rd parties. This would help our students pay down loans faster and be more compliant. They are the future of the country).*
4. **Protections for renters and homeowners** from evictions and foreclosures extended based on the interpretations of need from the Secretary of the Housing of Urban

Development. This law has been extended until appropriations are exhausted. (This is also good, but too open ended for HUD to make decisions. I'm sure more will be done here for clarity).

I feel these laws were starters for the administration to push Congress into further action. We will be monitoring closely for new developments.

As mentioned above, we may have office zoom calls possibly this Friday at 4PM or next week if we need more time to interpret this week's new laws, changes and/or negotiations.

Sincerely,
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