



## New Fiscal Stimulus

### What's in the Executive Orders? What's Still on the Table?

August 11, 2020

The economic repercussions of COVID-19 have made one thing abundantly clear—more federal support is necessary to help families and businesses survive and recover from this crisis. Not surprisingly, the administration and politicians from both sides of the aisle have different visions of what this assistance should look like.

With negotiations stalling, President Trump signed two Executive Orders on August 8 that address:

<b>Unemployment Benefits</b>	<ul style="list-style-type: none"> <li>\$400 a week (\$300 from the federal government &amp; \$100 from the states)</li> </ul>
<b>Payroll Tax Deferral</b>	<ul style="list-style-type: none"> <li>Payroll taxes are deferred from September 1, 2020 through December 31, 2020 for employees who earn less than \$4,000 per pretax bi-weekly paycheck</li> </ul>

What remains to be seen is how these orders will impact the ongoing aid talks. Republicans and Democrats each have their own fiscal stimulus bills that address a variety of topics beyond the items addressed by the president. Below is a high-level comparison of key issues currently on the table. The end result will likely be some combination of the two proposed bills.

*Note: Information about the stimulus package is changing daily. This chart is current as of this writing. We encourage you to contact your Cerity Partners advisor to ensure you have the most up-to-date information.*

	<b>HEALS Act (Republican)</b>	<b>HEROES Act (Democrat)</b>
<b>Second Round of Economic Impact Payments</b>	<ul style="list-style-type: none"> <li>\$1,200 single taxpayers, \$2,400 for married couples filing jointly (same phaseout rules as first payments)</li> <li>\$500 for eligible dependents, including adult dependents</li> </ul>	<ul style="list-style-type: none"> <li>\$1,200 single taxpayers, \$2,400 for married couples filing jointly (same phaseout rules as first payments)</li> <li>\$1,200 for up to three eligible dependents, including adult dependents</li> </ul>
<b>Unemployment Benefits</b>	<ul style="list-style-type: none"> <li>\$200 weekly federal supplement through September 30, 2020</li> <li>70% of lost wages, up to \$500 per week, from October 1, 2020 through December 31, 2020</li> </ul>	<ul style="list-style-type: none"> <li>\$600 weekly federal supplement through January 31, 2021</li> <li>13 additional weeks of unemployment for individuals who have exhausted their state benefits</li> </ul>
<b>State Income Taxes</b>	<ul style="list-style-type: none"> <li>Applicable to employees who perform work in multiple states</li> <li>Taxed in their state of residence and states where they physically worked for more than 30 days through 2024</li> <li>For 2020, the threshold is 90 days if working out of state due to the virus</li> </ul>	<ul style="list-style-type: none"> <li>Not addressed</li> </ul>
<b>State and Local Tax Deduction (SALT) Limitation</b>	<ul style="list-style-type: none"> <li>Not addressed</li> </ul>	<ul style="list-style-type: none"> <li>Elimination of the \$10,000 limitation for 2020 and 2021 tax years</li> </ul>

	<b>HEALS Act (Republican)</b>	<b>HEROES Act (Democrat)</b>
<b>Expanded Paycheck Protection Program (PPP)</b>	<ul style="list-style-type: none"> <li>Permits firms with fewer than 300 employees who have experienced at least a 50% drop in gross revenues to take a second PPP loan</li> <li>Adds worker protection costs and covered supplier costs to the list of forgivable expenses</li> </ul>	<ul style="list-style-type: none"> <li>Extends period for using borrowed funds until December 31, 2020</li> <li>Eliminates the 75%/25% rule for loan proceeds (how much must be spent on payroll)</li> </ul>
<b>Liability Protection</b>	<ul style="list-style-type: none"> <li>Limits lawsuits that can be brought against health care providers, schools and employers for exposure to the virus</li> <li>Doesn't protect against gross negligence claims</li> </ul>	<ul style="list-style-type: none"> <li>Not addressed</li> </ul>
<b>Refundable Payroll Tax Credit for Coronavirus Expenses</b>	<ul style="list-style-type: none"> <li>50% of an employer's qualified employee protection expenses (testing, cleaning supplies, personal protective equipment)</li> <li>Maximum amount of expenses: \$1,000 for first 500 employees, \$750 for the next 500 and \$500 for each employee over 1,000</li> <li>Covered period: Expenses paid between March 13, 2020 and December 31, 2020</li> </ul>	<ul style="list-style-type: none"> <li>Not addressed</li> </ul>
<b>Increased Employee Retention Tax Credit</b>	<ul style="list-style-type: none"> <li>65% of wages paid per employee up to \$30,000 a year (\$10,000 per quarter)</li> </ul>	<ul style="list-style-type: none"> <li>80% of wages paid per employee up to \$45,000 a year (\$15,000 per quarter)</li> </ul>

### Keeping a Watchful Eye

We're closing monitoring the discussions taking place in Washington, D.C. We will keep you apprised of any significant developments and how they may impact your personal and business planning.

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