

President Trump Issues Executive Orders on Economic Relief

On August 8, President Trump signed three presidential memoranda and one executive order to extend certain COVID-19 relief benefits. The executive directives cover the following:

- Extension of federal unemployment benefits at a reduced rate of \$400 per week;
- Payroll tax holiday through end-of-year for Americans earning less than about \$104,000;
- Extension of student loan relief through the end of 2020; and
- Authorization to Federal Housing Finance Authority and other officials to halt evictions.

Federal Unemployment Benefits. The CARES Act provided a \$600-per-week unemployment insurance benefit that expired on July 31. The new presidential memorandum extends the benefit at a reduced rate of \$400 per week, starting the week that ended on August 1 and lasting through December 27.

Payroll Tax Holiday. This deferral is available to employees whose compensation payable during any bi-weekly pay period generally is less than \$4,000, calculated on a pre-tax basis, or the equivalent amount with respect to other pay periods.

- **Update August 31, 2020:** On Friday, August 31, 2020, the IRS issued official guidance in the form of [Notice 2020-65](#). The Notice clarifies that the determination of whether a given employee is eligible for the deferral of the employee's share of Social Security taxes must be determined for a given bi-weekly pay period (i.e., it must be determined that the particular employee received wages or compensation less than the threshold amount of \$4,000.00). Although in public comments, Treasury Secretary Mnuchin indicated that this deferral is voluntary, Notice 2020-65 does not confirm that conclusion. Employers should be cautious in approaching this program as there is risk that an employee will terminate their employment before deferred taxes are collected, which could require the employer to pay back amounts deferred.

Student Loan Relief. The new presidential memoranda calls for the temporary cessation of payments and the waiver of all interest on student loans held by the Department of Education until December 31, 2020.

Evictions. The CARES Act provided for a moratorium on evictions that expired July 24. The new executive order does not extend the moratorium, but authorizes top government officials to review their authorities and resources to prevent evictions and foreclosures for renters and homeowners resulting from hardships caused by COVID-19.

The President's actions have drawn criticism, and are expected to be challenged in court. As such, careful review is recommended prior to implementing any policies associated with these executive directives.

Contact Us

Fraser Stryker's business attorneys are here to help:



Mark L. Brasee
mbrasee@fraserstryker.com
(402) 978-5306



Neil P. Hassler
nhassler@fraserstryker.com
(402) 978-5374

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