

TO: NAW Direct Members

FROM: NAW Government Relations Team

RE: NAW Critical Update Number 88 – August 13 at 2:15 PM

1. Latest on the HEALS Act (Health; Economic Assistance; Liability Protection; and Schools Act)

Today, House Speaker Nancy Pelosi told reporters that when Republican negotiators are ready to meet in the middle Democrats will sit down to discuss a virus relief package. “I don’t know,” Pelosi says when asked when she will meet again with Treasury Sec. Steven Mnuchin, “When they come in with \$2 trillion.” Given that the Democratic National Convention begins on Monday followed by the Republican National Convention on August 24th, the stalemate now appears likely to drag on for weeks into September. Also, most Members of Congress have left Washington for the traditional August recess, with a 24-hour notice to return.

Republicans and Democrats have been at odds over how much to spend on another round of stimulus aid, with Democrats, led by Speaker Nancy Pelosi and Senator Chuck Schumer pushing for more than \$2 trillion and the White House insisting on staying around \$1 trillion.

According to an article in the *New York Times* today, those positions could further harden given that weekly jobless claims, which had been above one million for months, fell below that number last week, with 963,000 people filing first-time claims for benefits under regular state unemployment programs. Yesterday, the Treasury Department announced that the budget deficit had reached a historic high of \$2.8 trillion, in large part because of spending from the first \$2.2 trillion pandemic package that lawmakers approved in March. Even before those numbers were released, many Republicans in Washington were saying they hoped no additional aid would be forthcoming because of the ballooning deficit.

NAW and our allies continue to push Congress for action on PPP expansion, liability protection and an end to the \$600 pandemic UI benefit.

To read the full article in the *NYT*, click [HERE](#).

2. Latest on President's Payroll Tax Deferral Executive Order

The Trump Administration continues to scramble to explain how the President's Payroll Tax Deferral Executive Order will work, and to address growing employer concerns about the program. Treasury Secretary Mnuchin yesterday made it clear that the program would be optional for *employers* but did not address whether it would similarly be optional for *employees*. Today the American Institute of Certified Public Accountants (AICPA) sent a letter to the Administration voicing several concerns about the tax deferral proposal and asking for guidance on 10 different aspects of the plan.

The issues on which the AICPA requested guidance include:

- That the program is voluntary for employees, and that employees are “responsible for making an affirmative election to defer the payroll taxes,” and
- That “it is the responsibility of the employee and not the employer to pay the deferred payroll taxes. The guidance should also explicitly state that an employer is not liable if an employee does not remit the deferred payroll taxes on the required payment date(s) (when determined).”

You can read the AICPA letter [HERE](#).

You can read a *Politico* story that summarizes the AICPA letter [HERE](#).

If you want a more comprehensive report on the tax deferral proposal, see this *Market Watch* story [HERE](#).

3. DOL Issues New Guidance for the Lost Wages Assistance Program

As we previously reported, considering the failure of Congress to come to an agreement on extending coronavirus specific unemployment insurance, the President issued an Executive Order to grant up to \$400 per week in additional benefits. Today the U.S. Department of Labor released guidance to help states implement the Lost Wages Assistance program that was authorized in the Executive Order. The program will be administered by states through a joint federal-state agreement with the Federal Emergency Management Agency (FEMA). You can read the new guidance from the DOL [HERE](#).

4. Latest on Economic Recovery and Re-Opening the Workplace

As the Coronavirus Pandemic continues to impact the United States economy and businesses across the nation, it can be hard to decipher how new regulations and laws may impact your business. To help you manage these issues NAW is providing information about reports, webinars and seminars that you may find useful:

New Research from the NAW Institute for Distribution Excellence

Find out what wholesaler-distributors think about technology disruption by downloading NAW's just-released research report, "[Distributors' Views on Technology Disruption and How to Respond](#)," by Ian Heller and Jonathan Bein of Distribution Strategy Group.

Based on original research conducted in July with wholesaler-distributors across the industry, the report reveals how distributors evaluate and respond to emerging technologies. Is Artificial Intelligence a threat, an opportunity, or both? Find out that plus what you need to know about 3D printing/additive manufacturing, blockchain, cryptocurrency, and marketplaces. You'll learn how distributors plan to incorporate new technologies to build their competitive advantage.

Ian Heller and Jonathan Bein elaborate on their findings in this research report, plus will answer questions live during NAW's corresponding webinar on Tuesday, August 18, at 2:00 p.m. Eastern.

[Register here.](#) If you can't attend live, register anyway and NAW will send you a link to the webinar recording and slide deck.

From **Little Law Firm**:

[Bouncing Back: A List of Statewide Return to Work Protocols](#)

Government officials across the country are easing up on stringent business closures. To read the full article, click [HERE](#).

Stateside Associates publishes a daily report about State and Local Government responses to the evolving situation.

To read their latest report, click [HERE](#).

We are also providing a link to a spreadsheet that includes state and local COVID-19 response information provided by **MultiState Associates**.

To view their spreadsheet, click [HERE](#).

[Click here](#) for links to Critical Updates sent previously.

Many thanks—

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