



As Congress fell short of agreeing to a stimulus package, President Trump took matters into his own hands by signing executive orders on four different relief items. By going around Congress to put these items into motion, the President has ruffled enough feathers on both sides of the aisle, and many are questioning whether the executive orders will ever be acted on. Congress is the only branch that can control federal spending or lay or collect taxes. The executive orders touch both prompting question of their legality. The following actions were taken:

### **Unemployment Assistance**

The orders contain additional assistance of up to \$400/week to unemployed individuals. The outline requires states to pick up at least 25% of the bill or apply for an exemption. If approved, the applicant states may receive funding to provide \$400/week, but they may only receive \$300/week, with the remaining \$100/week left out depending on how many states apply. Given the cash strapped budgets of many states, it would be unlikely that many will be paying the additional 25% on their own.

### **Eviction Moratorium**

The CARES Act put a 120-day moratorium on evictions, expiring in the last week of July. The orders issued on Saturday direct HUD, HHS, and the CDC to identify any and all federal funds to provide temporary assistance to renters and homeowners. It does not provide funds, nor does it provide guidelines for how these funds will be distributed. The Secretary of HHS and Director of the CDC are tasked with deciding if a true eviction moratorium would help in the spread of COVID-19. If so, a moratorium could be put in place.

### **Payroll Tax Deferral**

For individuals making less than \$2,000/week, payroll taxes due from September 1<sup>st</sup> through December 31<sup>st</sup> will be deferred to 2021. The temporary relief is provided to only those earning wages. Congress has opposed the plan for a payroll tax cut from the outset emphasizing the further financial strain this type of deferral would put on the Social Security and Medicare system.

### **Student Loan Relief**

The suspension of student loan payments and 0% interest rate were set to expire on September 30<sup>th</sup>. The order extends that benefit, along with the payment schedule and forgiveness timeline laid out in the CARES Act until December 31, 2020.

It remains to be seen whether Congress will challenge the actions in court, or if this is the action to bring the Senate and House bills to a resolution. We will be providing updates as they occur so please continue to monitor our Economic Relief Resource center (<https://www.peasecpa.com/covid-19-resource-center/>) for the latest developing information.