



News from Washington

House passes scaled-back HEROES relief package

At the end of September, the House of Representatives advanced an additional relief package (H.R. 925) to break the gridlock in the ongoing negotiations with the White House and Senate over another round of COVID-19 relief. The bill, dubbed “HEROES Act 2.0,” passed the House on largely party lines by a vote of 214-207, with 18 Democrats joining all Republicans in voting against the measure.

House Democratic leadership scaled back the size and scope of the measure to \$2.2 trillion in an attempt to get some measure of relief passed prior to the November election. The original Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800), approved by the House in May, appropriated \$3.4 trillion for relief, but the Senate failed to advance a \$1.5 trillion “skinny” alternative, showing the vast difference between the chambers about how much is needed and where it should be distributed.

For the Postal Service, HEROES 2.0 includes \$15 billion (reduced from \$25 billion in the original measure) for the Postal Service to cover COVID-19-related expenses; it also removes the terms and conditions on the \$10 billion loan in the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law last spring—as provided in the original HEROES Act.

The new bill also includes new workers’ compensation benefits for postal employees who contract COVID-19, but unlike the original HEROES Act, it does not include hazard pay for front-line workers and postal employees.

The measure also would revive the supplemental pandemic unemployment insurance benefits measure (\$600 per week provided by the CARES Act) that expired in September and authorize another round of stimulus money to families. In addition, the HEROES 2.0 bill would provide further Paycheck Protection Program (PPP) coverage for small businesses; continued Women, Infants, and Children (WIC) and Supplemental Nutrition Assistance Program (SNAP) benefits; funding to schools and universities; resources for testing, tracing and treatment; and funding to avert the layoffs of more than 40,000 airline workers.

While the House continues to keep pressure on the Senate and White House to reach a compromise before Election Day, the Senate has yet to advance any additional relief. At this point, it is unclear as to whether a deal can be reached. In addition, the Senate plans to turn its attention to proceedings to advance the nomination of Amy Coney Barrett to the Supreme Court, following the death of Justice Ruth Bader Ginsberg. With the nomination being a contentious one, it’s difficult to envision a deal on ad-

ditional pandemic-related relief being reached before Election Day.

Meanwhile, President Trump signaled an end to negotiations on Oct. 6, tweeting, “I have instructed my representatives to stop negotiating until after the election.”

NALC will continue to call for relief for the Postal Service, favorable terms and conditions for the \$10 billion Treasury loan, and for hazard pay for our members on the front lines of this pandemic.

USPS elects not to implement payroll tax deferral

In August, President Trump issued an executive order deferring payroll taxes for Social Security until the beginning of 2021 to combat the economic downturn caused by the coronavirus pandemic. It includes a directive to suspend the withholding of Social Security taxes for workers earning less than \$4,000 on a pretax biweekly basis, or about \$104,000 annually.

However, those Social Security taxes will need to be repaid between Jan. 1, 2021, and April 30, 2021, if no permanent cut is enacted, which is unlikely given the partisan debates in Congress. That has made the deferral unpopular with many, and several businesses have opted out of the deferral for their employees, including the Postal Service.

USPS recently notified NALC that it would not implement the temporary employee payroll tax deferral. The Internal Revenue Service issued guidance (Notice 1010-65) making clear that employers are not required to implement the deferral. Because of this, letter carriers will see no change in payroll taxes from the executive order. **PR**

Penalty Overtime Exclusion

As referenced in Article 8, Sections 4 and 5, of the USPS-NALC and USPS-APWU national agreements, the December period (during which penalty overtime regulations are not applicable) consists of four consecutive service weeks. This year, the December period begins Pay Period 25-20—Week 2 (Nov. 28, 2020)—and ends Pay Period 01-21—Week 1 (Dec. 25, 2020).