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# Trump Extends Special Unemployment Benefit at \$400 a Week Through Executive Action as Congress Talks Falter

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**President Trump takes executive action following breakdown in talks in Congress. The executive orders were signed at his golf resort in Bedminster, New Jersey, on August 8, 2020. By. REUTERS/JOSHUA ROBERTS**

BEDMINSTER, N.J. (AP) — President Donald Trump has bypassed the nation's lawmakers as he claimed the authority to defer payroll taxes and replace an expired unemployment benefit with a lower amount after negotiations with Congress on a new coronavirus rescue package collapsed.

Trump's orders on Saturday encroached on Congress' control of federal spending and seemed likely to be met with legal challenges. The president cast his actions as necessary given that

lawmakers have been unable to reach an agreement to plunge more money into the stumbling economy, which has imperiled his November reelection.

Trump moved to continue paying a supplemental federal unemployment benefit for millions of Americans out of work during the outbreak. However, his order called for up to \$400 payments each week, one-third less than the \$600 people had been receiving. How many people would receive the benefit and how long it might take to arrive were open questions.

The previous unemployment benefit, which expired on Aug. 1, was fully funded by Washington, but Trump is asking states to now cover 25%. He is seeking to set aside \$44 billion in previously approved disaster aid to help states, but said it would be up to states to determine how much, if any of it, to fund, so the benefits could be smaller still.

Many states already faced budget shortfalls due to the coronavirus pandemic and would have difficulty assuming the new obligation.

Trump hopes the four executive orders he signed will signal to Americans that he is acting where Congress will not to address economic fallout from the COVID-19 pandemic, which has upended nearly all aspects of American life. It's unclear what the economic impact of his actions will be, and his orders do not address several areas that have been part of the congressional negotiations, including funding for schools and state and local governments.

House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer dismissed Trump's actions as "meager" in the face of economic and health crises facing Americans. Democrats initially sought a \$3.4 trillion package, but said they lowered their ask in talks to \$2 trillion. Republicans had proposed a \$1 trillion plan.

Trump's Democratic opponent in the presidential race, Joe Biden, called the orders "a series of half-baked measures" and accused him of putting at risk Social Security, which is funded by the payroll tax.

Trump's embrace of executive actions to sidestep Congress ran in sharp contrast to his criticism of former President Barack Obama's use of executive orders on a more limited basis. Though Trump cast it as a necessary step given the deterioration of congressional negotiations, the president himself was not an active participant in those talks.

The orders "will take care of pretty much this entire situation, as we know it," Trump said, despite the fact that they are far smaller in scope than congressional legislation, and even aides acknowledged they didn't meet all needs.

In addition to the extension of some unemployment benefits, Trump's orders call for a deferral of payroll tax and federal student loan payments and efforts to halt evictions. The evictions executive order directs the Treasury and Housing and Urban Development departments to identify funds to provide financial assistance to those struggling to pay their monthly rent.

Trump said the employee portion of the payroll tax would be deferred from Aug. 1 through the end of the year. The move would not directly aid unemployed workers, who do not pay the tax when they are jobless, and employees would need to repay the federal government eventually without an act of Congress.

In essence, the deferral is an interest-free loan that would have to be repaid. Trump said he'll try to get lawmakers to extend it, and the timing would line up with a post-election lame-duck session

in which Congress will try to pass government funding bills.

“If I win, I may extend and terminate,” Trump said, repeating a longtime goal but remaining silent on how he’d fund the Medicare and Social Security benefits that the 7% tax on employee income covers. Employers also pay 7.65% of their payrolls into the funds.

Senate Majority Leader Mitch McConnell, R-Ky., issued a statement saying he supported Trump “exploring his options to get unemployment benefits and other relief to the people who need them the most.” Like Trump, McConnell accused Democrats of using the coronavirus package negotiations to pursue other goals.

The Democratic chairman of the tax-writing House Ways and Means Committee, Rep. Richard E. Neal of Massachusetts, accused Trump of “brazenly circumventing Congress to institute tax policy that destabilizes Social Security.” He also cited a threat to Medicare funding.

The use of executive actions drew criticism from Republican Sen. Ben Sasse of Nebraska. “The pen-and-phone theory of executive lawmaking is unconstitutional slop,” said Sasse, a member of the Senate’s Judiciary and Finance panels. He added that Trump “does not have the power to unilaterally rewrite the payroll tax law. Under the Constitution, that power belongs to the American people acting through their members of Congress.”

With no deal on virus relief in sight, lawmakers went home on Friday with instructions to be ready to return for a vote on an agreement. A stalemate that could stretch well into August and even September was possible, casting doubt on the ability of the Trump administration and Democrats to come together on a fifth COVID-19 response bill.

Often an impasse in Washington is of little consequence for the public — but this would mean more hardship for millions of people who are losing enhanced jobless benefits and cause further damage to the economy.

Schumer said the White House had rejected an offer by Pelosi to curb Democratic demands by about \$1 trillion. Schumer urged the White House to “negotiate with Democrats and meet us in the middle. Don’t say it’s your way or no way.”

The breakdown in negotiations over the last several days was particularly distressing for schools trying to reopen . But other priorities were also languishing, including a fresh round of \$1,200 direct payments to most people, a cash infusion for the struggling Postal Service and money to help states hold elections in November.

Senate Republicans were split, with roughly half of McConnell’s rank and file opposed to another rescue bill.

*Written by AP's Jonathan Lemire and Zeke Miller. AP writer Andrew Taylor in Washington contributed to this report.*