

Washington Policy and COVID-19 Update

Presented by

The Franklin Partnership, LLC

Policy Resolution Group at Bracewell

March 12, 2021



Your Team in Washington, D.C.



Lobbying Firm – The Franklin Partnership, LLC

- Bi-partisan Washington, D.C.-based government relations firm
- Representing manufacturing industry since 2002
- Clients include: manufacturing associations, defense contractors, hospitals, cities



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- Wash, D.C.-based public affairs & strategic communications consultants
- Promote NTMA and PMA in print, digital and other media
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- Representing metalworking industry since 2003

Nothing contained in here shall be deemed legal or financial advice.



TALKING WITH
ONE VOICE

A MANUFACTURING INDUSTRY ADVOCACY PODCAST



Two
Minutes
WITH
One Voice



Contents

- CDC Post-Vaccination Recommendations and Guidance
- OSHA Enforcement
- COVID Tax Rules and Credits
- PPP Loan Update, FAQ
- COVID Reconciliation Bill now law: American Rescue Act of 2021

All information presented as of March 11, 2021

Workplace Safety and Compliance

COVID Post-Vaccination Recommendations

When You've Been Fully Vaccinated

How to Protect Yourself and Others

Updated Mar. 9, 2021

Languages ▼

Print

[COVID-19 vaccines](#) are effective at protecting you from getting sick. Based on what we know about COVID-19 vaccines, people who have been fully vaccinated can start to do some things that they had stopped doing because of the pandemic.

We're still learning how vaccines will affect the spread of COVID-19. After you've been fully vaccinated against COVID-19, you should keep taking [precautions](#) in public places like wearing a mask, staying 6 feet apart from others, and avoiding crowds and poorly ventilated spaces until we know more.

Have You Been Fully Vaccinated?

People are considered fully vaccinated:

- 2 weeks after their second dose in a 2-dose series, like the Pfizer or Moderna vaccines, or
- 2 weeks after a single-dose vaccine, like Johnson & Johnson's Janssen vaccine

If it has been less than 2 weeks since your shot, or if you still need to get your second dose, you are NOT fully protected. Keep taking all [prevention steps](#) until you are fully vaccinated.

March 9, 2021

COVID Post-Vaccination Recommendations

What's Changed

If you've been fully vaccinated:

- You can gather indoors with fully vaccinated people without wearing a mask.
- You can gather indoors with unvaccinated people from one other household (for example, visiting with relatives who all live together) without masks, unless any of those people or anyone they live with has an [increased risk for severe illness from COVID-19](#).
- If you've been around someone who has COVID-19, you do not need to stay away from others or get tested unless you have symptoms.
 - However, if you live in a group setting (like a correctional or detention facility or group home) and are around someone who has COVID-19, you should still stay away from others for 14 days and get tested, even if you don't have symptoms.



March 9, 2021

COVID Post-Vaccination Recommendations

What Hasn't Changed

For now, if you've been fully vaccinated:

- You should still take steps to [protect yourself and others](#) in many situations, like wearing a mask, staying at least 6 feet apart from others, and avoiding crowds and poorly ventilated spaces. Take these precautions whenever you are:
 - In public
 - Gathering with unvaccinated people from more than one other household
 - Visiting with an unvaccinated person who is at [increased risk of severe illness or death from COVID-19](#) or who lives with a person at increased risk
- You should still avoid medium or large-sized gatherings.
- You should still delay domestic and international travel. If you do travel, you'll still need to follow CDC [requirements and recommendations](#).
- You should still watch out for [symptoms of COVID-19](#), especially if you've been around someone who is sick. If you have symptoms of COVID-19, you should get tested and stay home and away from others.
- You will still need to follow guidance at your workplace.



March 9, 2021

COVID Post-Vaccination Guidance Released

On This Page

- [Overview](#)
- [Recommendations for Visiting with Others in Private Settings](#)
 - [Visits between fully vaccinated people](#)
 - [Visits between fully vaccinated people and unvaccinated people](#)
 - [Medium- or large-sized gatherings](#)
 - [Other personal or social activities outside the home](#)
 - [Travel](#)
- [Recommendations for Isolation, Quarantine and Testing](#)
 - [Fully vaccinated people with COVID-19 symptoms](#)
 - [Fully vaccinated people with no COVID-19 like symptoms following an exposure](#)
 - [Fully vaccinated residents of non-healthcare congregate settings](#)
 - [Fully vaccinated employees of non-healthcare congregate settings and other high-density workplaces](#)

March 8, 2021

Still Waiting on OSHA Emergency Temporary Standard

THE WALL STREET JOURNAL.

U.S.

OSHA's Job Is Workplace Safety. In the Covid-19 Pandemic, It Often Struggled.

Federal and state agencies conducted fewer inspections than in the past and often handled coronavirus complaints through no more than an exchange of letters, a Wall Street Journal investigation shows

March 4, 2021

<https://www.wsj.com/articles/oshas-job-is-workplace-safety-in-the-covid-19-pandemic-it-often-struggled-11614875112>

OSHA Cites Auto Parts Manufacturer in COVID Death

U.S. Department of Labor

February 23, 2021

**OSHA cites Missouri auto parts manufacturer for failing to implement,
enforce coronavirus protections as exposure leads to press operator's death**

Federal guidance, county mandate not followed at Peterson Manufacturing's Grandview site

GRANDVIEW, MO – Two machine operators at a Grandview auto parts manufacturer who jointly operated a press tested positive for the coronavirus just two days apart, in late August 2020. The two workers typically labored for hours at a time less than two feet apart; neither wore a protective facial mask consistently. Ten days later, two more workers operating similar presses together tested positive. On Sept. 19, 2020, one of the press operators fell victim to the virus and died.

In an investigation that followed, the U.S. Department of Labor's Occupational Safety and Health Administration [cited](#) Peterson Manufacturing – operating as Maxi-Seal Harness Systems Inc. – under OSHA's general duty clause for failing to maintain safe working conditions. At least six employees of the Grandview plant have tested positive for the virus.

The company faces one [serious](#) and one other-than-serious violation, and proposed penalties totaling \$15,604. As part of the investigation, OSHA's Office of Occupational Medicine and Nursing determined, with a reasonable degree of medical certainty, the deceased employee contracted the virus while on the job.

<https://www.osha.gov/news/newsreleases/region7/02232021>

IRS, Tax Credits and Changes

IRS COVID Tip: Repaying Deferred Payroll Taxes

COVID Tax Tip 2021-32, March 10, 2021

To give people a needed temporary financial boost, the Coronavirus Aid, Relief and Economic Security Act allowed employers to defer payment of the **employer's** share of Social Security tax. [IRS Notice 2020-65](#) [PDF](#) allowed employers to defer withholding and payment of the **employee's** Social Security taxes on certain wages paid in calendar year 2020. Employers must pay back these deferred taxes by their applicable dates.

The **employee** deferral applied to people with less than \$4,000 in wages every two weeks, or an equivalent amount for other pay periods. It was optional for most employers, but it was mandatory for federal employees and military service members.

Repayment of the employee's portion of the deferral started January 1, 2021 and will continue through December 31, 2021.

Payments made by January 3, 2022, will be timely because December 31, 2021, is a holiday. The employer should send repayments to the IRS as they collect them. If the employer does not repay the deferred portion on time, penalties and interest will apply to any unpaid balance.

Employees should see their deferred taxes in the withholdings from their pay. They can check with their organization's payroll office for details on the collection schedule.

How to repay the deferred taxes

Employers can make the deferral payments through the [Electronic Federal Tax Payment System or by credit or debit card, money order or with a check](#). These payments must be separate from other tax payments to ensure they applied to the deferred payroll tax balance. IRS systems won't recognize the payment if it is with other tax payments or sent as a deposit.

March 10, 2021

<https://www.irs.gov/newsroom/what-employers-need-to-know-about-repayment-of-deferred-payroll-taxes>

2021 Employee Retention Credit – Still No IRS Guidance

ERTC 2020: Credit claimed against 50 percent of qualified wages paid, up to \$10,000 per employee annually for wages paid between March 13 and Dec. 31, 2020

ERTC 2021: New law expands the credit to claim against 70% of qualified wages paid. Amount of wages qualifying for credit is now \$10,000 per employee per quarter for the first two quarters of 2021. (Employer could claim \$7,000 per quarter per employee or \$14,000 for 2021.

ERTC 2020 Eligibility Test: Under original CARES Act, if gross receipts in a calendar quarter are below 50% of gross receipts compared to the same calendar quarter in 2019, an employer qualifies. They are no longer eligible if in the calendar quarter immediately following their quarter gross receipts exceed 80% compared to the same calendar quarter in 2019.

ERTC 2021 Eligibility Test: Under new law, beginning in 2021, businesses have seen more than 20% drop in gross receipts in the quarter compared to the same quarter in 2019

March 3, 2021

<https://www.paychex.com/articles/compliance/employee-retention-credit>

IRS Releases 2020 Employee Retention Tax Credit FAQ

Guidance on the Employee Retention Credit under Section 2301 of the Coronavirus Aid, Relief, and Economic Security Act

Notice 2021-20

I. PURPOSE

This notice provides guidance on the employee retention credit provided under section 2301 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Pub. L. No. 116-136, 134 Stat. 281 (March 27, 2020), as amended by section 206 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Relief Act), which was enacted as Division EE of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182 (December 27, 2020). The guidance provided in this notice addresses the employee retention credit as it applies to qualified wages paid after March 12, 2020, and before January 1, 2021. This notice does not address the changes made by section 207 of the Relief Act that apply to the employee retention credit for qualified wages paid after December 31, 2020. The Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) will address the modifications made by section 207 of the Relief Act applicable to calendar quarters in 2021 in future guidance.

Question 14: If an employer voluntarily suspends operation of a trade or business or voluntarily reduces hours due to COVID-19, but the suspension or reduction in hours is not due to a governmental order, may the employer qualify as an eligible employer solely on the basis of the voluntary suspension or reduction in hours?

Answer 14: No. An employer that voluntarily suspends operation of a trade or business or voluntarily reduces hours due to COVID-19 is not eligible for the employee retention credit on the basis of a full or partial suspension of its operations.

Question 71: How long should an eligible employer maintain records to substantiate eligibility for the employee retention credit?

Answer 71: An eligible employer should keep all records of employment taxes for at least 4 years after the date the tax becomes due or is paid, whichever comes later. These should be available for IRS review.

March 1, 2021

<https://www.irs.gov/pub/irs-drop/n-21-20.pdf>

PPP Loan Update

House Democrats, GOP Reach Deal Extending PPP



- House Democrats and Republicans have a deal to extend PPP applications to May 31 and allow SBA to process for another thirty days afterwards
- House likely votes on a bill next week prior to departing Washington not returning to Capitol building until mid-April
- No firm date yet for Senate action

SBA Reviews Slowing PPP; Random Sample Reviews

In 2021, before issuance of an SBA loan number, SBA is conducting front-end Compliance Checks on Lender loan guaranty applications for new First Draw PPP Loans and Second Draw PPP Loans using a modified version of the automated screening tool and information from the Department of Treasury Do Not Pay lists. When an issue is identified, the Compliance Checks generate a Compliance Check Error Message. In many cases, the Hold Codes and the Compliance Check Error Messages identify the same issues.

SBA's Office of Credit Risk Management (OCRM) will be reviewing random samples of loans where the Lender has submitted a Lender certification in support of a loan guaranty application. OCRM will review the information and documentation that the Lender was required to obtain, review and retain in support of the Lender certification. And, as part of its ongoing Lender oversight activities, OCRM will include in its loan file sampling those loans where the Lender submitted a Lender certification in support of a loan guaranty application that were not previously reviewed by OCRM as part of the prior random sample to ensure that appropriate information and documentation exists in the Lender's file.

February 10, 2021

<https://www.sba.gov/sites/default/files/2021-02/Procedural%20Notice%205000-20092%20-%20Revised%20PPP%20Procedures%20to%20Address%20Hold%20Codes-508.pdf>

PPP Second Draw FAQ: 25% Reduction Meets Needs Test

As of March 3, 2021

The FAQs have been updated to reflect changes made by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act enacted on December 27, 2020. The FAQs are in the process of being revised to reflect changes made by the Interim Final Rule on Revisions to Loan Amount Calculation and Eligibility posted on SBA's website on March 3, 2021.

PAYCHECK PROTECTION PROGRAM LOANS Frequently Asked Questions (FAQs)

For Second Draw PPP Loans, all borrowers must certify in good faith that “[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.” Because Second Draw PPP Loan borrowers must demonstrate that they have had a 25% reduction in gross revenues, all Second Draw PPP Loan borrowers will be deemed to have made the required certification concerning the necessity of the loan in good faith. The loan amounts received by borrowers for First Draw PPP Loans and Second Draw PPP Loans will not be aggregated.

March 3, 2021

<https://www.sba.gov/sites/default/files/2021-03/PPP%20FAQs%20%283-3-21%29.pdf>

PPP Second Draw FAQ: Size Limit is 300 Employees

Question: May applicants use SBA's established size standards (either revenue-based or employee-based) or SBA's alternative size standard to qualify for a Second Draw PPP Loan?

Answer: No. Applicants may not use SBA's established size standards (either revenue-based or employee-based) or the alternative size standard to qualify for a Second Draw PPP Loan. In general, the size eligibility requirement for Second Draw PPP Loans are narrower than the size eligibility requirement for First Draw PPP Loans. With some exceptions, an applicant is eligible for a Second Draw PPP Loan only if it, together with its affiliates (if applicable), employs no more than 300 employees. The only exceptions are if an Applicant:

- Is assigned a NAICS code beginning with 72 and employs no more than 300 employees per physical location; or
- Is a news organization that is majority owned or controlled by a business concern that is assigned NAICS code 511110 or a NAICS code beginning with 5151, or is a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, and, in either case, employs no more than 300 employees per physical location.

March 3, 2021

PPP Loan Status and New Application Forms

| Loans Approved | Total Net Dollars | Total Lenders |
|----------------|-------------------|---------------|
| 7,555,249 | \$687,374,564,619 | 5,474 |

Summary of all **2021** Paycheck Protection Program approved lending (as of 03-07-21):

| Loans Approved | Total Net Dollars | Total Lenders |
|----------------|-------------------|---------------|
| 2,409,105 | \$164,950,550,832 | 5,198 |

Borrower Application Form (revised 3/3/2021) -

<https://home.treasury.gov/system/files/136/PPP-Borrower-Application-Form.pdf>

Second Draw Borrower Application Form (revised 3/3/2021)

<https://home.treasury.gov/system/files/136/PPP-Second-Draw-Borrower-Application-Form.pdf>

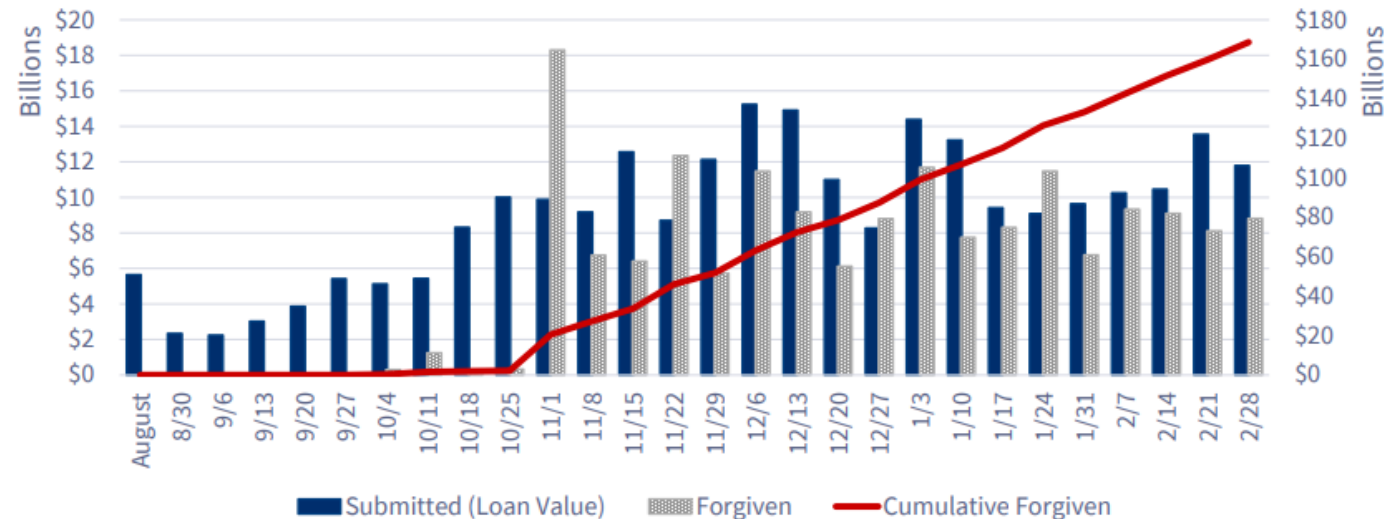
March 7, 2021

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program/ppp-data>

PPP Loan Forgiveness Update

Forgiveness | ~36% of loans have completed the forgiveness process totaling ~32% of total 2020 PPP volume

| | Total 2020 PPP Volume | Forgiven | Amount Not Forgiven | In Process | Applications not yet received |
|--------|-----------------------|----------|---------------------|------------|-------------------------------|
| Count | 5.2M | 1.9M | - | 250k | 3.0M |
| Volume | \$521.2B | \$168.6B | \$0.5B | \$87.1B | \$265.0B |



March 4, 2021

COVID-19 Stimulus Legislation Status Update

\$1.9T American Rescue Plan Act of 2021 Becomes Law

- February 24, 2021: COVID Reconciliation bill introduced in U.S. House of Representatives
- February 27, 2021: Passed the U.S. House of Representatives 219-212
- March 5, 2021: Passed U.S. Senate 50-49
- March 10, 2021: Revised version passed U.S. House of Representatives 220-211
- March 11, 2021: American Rescue Plan Act of 2021 signed into law by President Biden

American Rescue Plan Act of 2021

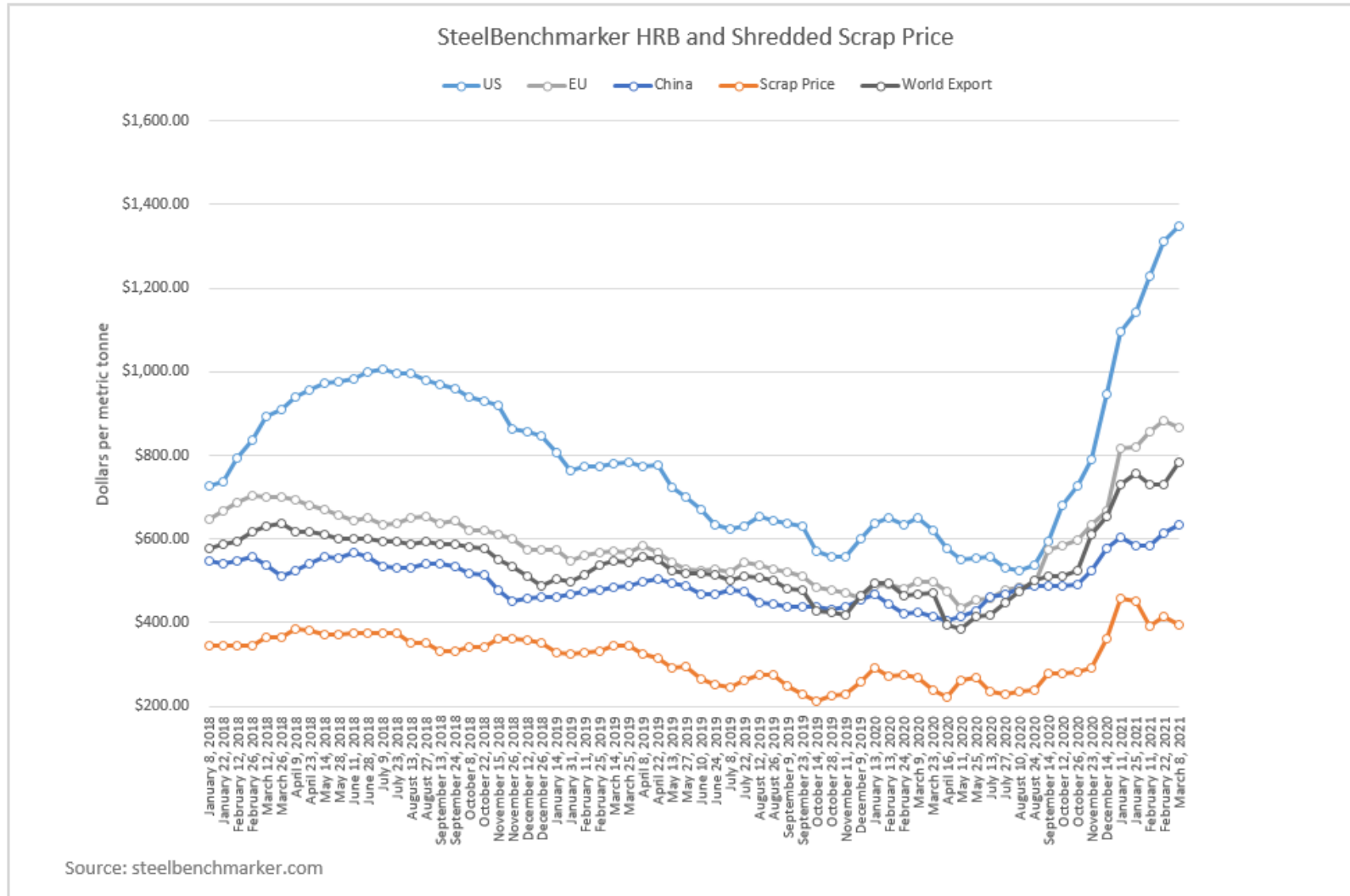
- \$300 Unemployment compensation extended through Sept. 6
- \$2 billion for the Labor Department to address fraud and access to unemployment benefits
- \$1,400 direct payments individuals, \$2,800 joint filers, \$1,400 each qualifying dependent
- Payments phase out for individuals with adjusted gross incomes of \$75,000 and would be zero for AGIs of \$80,000 or more. Those amounts would be doubled for joint filers
- 100% COBRA premiums for individuals; employer claims refundable tax credit

American Rescue Plan Act of 2021

- Extends Employee Retention Tax Credit through December 31, 2021
- Increases paid family leave credit wages covered to \$12,000 per worker, from \$10,000
- Expands paid leave credits to cover Covid-19 vaccinations or wait times for test results
- Extends through Sept. 30 FFCRA tax credits for employer-provided paid sick, family leave
- \$100 million for Occupational Safety and Health Administration (OSHA)
- \$100 million for SBA community navigator pilot program to help find COVID support

Advocacy in Washington on Steel Supply/Prices

U.S. versus Global Steel Prices January 8, 2018-March 8, 2021
(HRB Price)



One Voice Members in the News

Pal Item.



Ahaus Tool and Engineering was presented the Earl and Kathryn Mayer Award that honors a corporate or foundation supporter for impacting the lives of Wayne County youth through its partnership with the club. Ahaus, a family-owned local business, works with club members on the Canstruction project, provides members tours of the business and supports the Code In Class program that teaches computer coding to young members.

BusinessWest.com



While the pandemic is keeping people from touring the facilities at Peerless Precision in person, there are still virtual visits, where young people can meet not only Carlson, but her pit bull, Bruno. They can also see six women on the manufacturing floor (years ago, they would only have seen them in the front office or shipping and receiving).

One Voice Members in the Media

THE WALL STREET JOURNAL



We Deliver Precision®

By the end of the year, just three companies in the U.S. will supply stainless steel. Gregg Boucher, president of distribution for Connecticut-based Ulbrich Stainless Steels & Special Metals Inc., which makes wire, foil, ribbon and strips, said decreasing availability of domestic stainless steel will drive more stainless users out of the country or out of business.

“Customers get concerned about availability,” he said. “They don’t want to be in a situation where they miss a delivery because they’re short on inventory.”

CRAIN'S CLEVELAND BUSINESS



Automation
Tool & Die

The supply chain has been a challenge recently for metal stamper [Automation Tool & Die Inc.](#) in Valley City, with prices as high as they've been since the summer of 2008, said vice president Randy Bennett. Spot buys are "non-existent," he said, and program buys are coming in late. And mills are getting more selective. Bennett said increased demand from sectors like residential projects and automotive has meant mills are being pulled in a lot of different directions.

Donate to NTMA, PMA to Support Advocacy in DC

NTMA's Government Affairs Administrative Fund (GAAF) allows the association to undertake initiatives aimed at educating elected officials on tooling and machining and the industry's priority issues. It also permits us to support a variety of activities to inform and mobilize our members, as well as to protect and promote the industry with key lawmakers. You can use corporate OR personal funds to donate to the GAAF.

Donate Today!

<https://ntma.org/programs/advocacy/>

PMA ADVOCACY FUND

PMA's Advocacy Fund supports the association's day-to-day lobbying and public relations efforts in Washington, D.C., increasing the industry's visibility in Congress, the Administration and the public. You can use corporate OR personal funds to donate to the advocacy fund.

Donate Today!

<https://www.pma.org/advocacy/donate-today.asp>

Questions?

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<https://www.pma.org/advocacy/donate-today.asp>

<https://ntma.org/programs/advocacy/>

