

New Stimulus Proposal Aids Small Business, Unemployed

By Allen Smith, J.D.

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A bipartisan group of senators and representatives introduced a new \$908 billion stimulus plan Dec. 1 to try to break the stalemate over more aid to help struggling businesses and workers during the coronavirus pandemic. But the impasse so far continues, CNBC reports. We've gathered news on the stimulus proposal from *SHRM Online* and other trusted media outlets.

Business Aid and Liability Protection

The \$908 billion proposal includes \$288 billion in small business aid such as more Paycheck Protection Program loans and \$180 billion for supplemental unemployment insurance, according to a draft. The proposal also would provide \$16 billion in vaccine distribution, testing and contact tracing. In addition, the legislation would temporarily shield employers from coronavirus-related lawsuits under federal law. The legislation is intended to be an interim package to provide support until President-elect Joe Biden takes office, according to Sen. Mark Warner, D-Va. "It is absolutely essential that we pass emergency relief," said Sen. Susan Collins, R-Maine. Programs lapsing at the end of December include an unemployment insurance extension. House Speaker Nancy Pelosi, D-Calif., and Senate Majority Leader Mitch McConnell, R-Ky., are far apart on their respective \$2.2 trillion and \$500 billion aid bills, and McConnell has opposed the \$908 billion proposal.

(CNBC (<https://www.cnn.com/2020/12/01/coronavirus-stimulus-update-senators-to-unveil-relief-bill.html>))

Compromise May Be Difficult

McConnell on Nov. 30 accused Democrats of "all-or-nothing obstruction." Senate Minority Leader Charles Schumer, D-N.Y., said there must be compromise but criticized McConnell for backing a Republican "wish list" in stimulus negotiations. If no stimulus deal is passed, 12 million Americans will lose jobless benefits. But the legislation faces challenges, including by Democrats opposed to the liability shield and some fiscal conservatives. Moreover, congressional leadership and President Donald Trump have not endorsed the proposal. McConnell introduced another relief proposal on Dec. 1 that would include reviving the Paycheck Protection Program for small businesses. Pelosi said Treasury secretary Steven Mnuchin would review the \$908 billion proposal, as well as a proposal Schumer and she sent to Republicans on Nov. 30.

(*The Washington Post* (<https://www.washingtonpost.com/us-policy/2020/12/01/stimulus-congress-coronavirus/>), NPR (<https://www.npr.org/2020/12/01/940596072/bipartisan-group-of-lawmakers-offer-908-billion-coronavirus-aid-compromise>), Forbes (<https://www.forbes.com/sites/sarahhansen/2020/12/01/stimulus-isnt-dead-yet-pelosi-and-mnuchin-are-talking-again-mcconnell-unveils-another-skinny-bill-and-moderates-are-pushing-a-new-900-billion-plan/?sh=358f8c9f6b59>) and CNBC (<https://www.cnn.com/2020/12/01/coronavirus-stimulus-update-senators-to-unveil-relief-bill.html>))

Paycheck Protection Program Helped Small Businesses

Prior stimulus packages had allocated billions to help small businesses keep workers on payroll during the pandemic. The initial stimulus fund for small businesses—the Paycheck Protection Program—reached its nearly \$350-billion cap less than two weeks after the program was launched. A subsequent measure gave more businesses access to an additional \$310 billion. The Society for Human Resource Management had urged Congress to make additional funds available to assist more employees and employers, including nonprofits.

(*SHRM Online* (www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/house-approves-small-business-coronavirus-relief.aspx))

[*Need help with legal questions? Check out the new SHRM LegalNetwork* (www.shrm.org/ResourcesAndTools/business-solutions/Pages/LegalNetwork.aspx).]

COVID-19 Relief Isn't Only Legislation Before Congress

Congress has a full plate before its December recess. It may address not only COVID-19 relief, but also a \$1.4 trillion catchall spending package and defense policy, as well as judicial nominees. Congressional focus may initially be on preventing a government shutdown when a temporary spending bill expires on Dec. 11. One point of contention in the COVID-19 relief negotiations is an additional round of aid to state and local governments.

(KTLA 5 (<https://ktla.com/news/nationworld/congress-returns-with-2nd-coronavirus-stimulus-deal-federal-funding-unresolved/>))

Two Programs Due to Expire

Congress has already let some relief programs expire, such as the Paycheck Protection Program for small businesses and the \$600 federal increase to weekly unemployment benefits. If Congress adds a stimulus component to the general spending bill, it may prioritize pushing back deadlines that end this month. One of the programs set to expire lets independent contractors, the self-employed and gig workers qualify for unemployment payments. This program also makes benefits available to those who can't work because of the pandemic, such as those who are ill or quarantining or whose children's schools are closed. The other program provides an additional 13 weeks of unemployment benefits to people who run out of state unemployment benefits.

(CNN (<https://www.cnn.com/2020/11/30/politics/stimulus-checks-covid-relief-congress/index.html>))

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