PSATS Daily COVID-19 News

Monday, August 31, 2020

PSATS, PEL Surveying Municipalities on COVID-19 Impacts
PSATS is partnering with the Pennsylvania Economy League and the other local government associations to survey municipalities on how they have been impacted by the COVID-19 pandemic financially and how they are reacting.

Please take a few minutes to complete the brief survey by September 15, which will help PSATS advocate for townships. Click here for the survey. Please note that individual responses will only be reported in the aggregate; no individual responses will be shown.

IRS Issues Guidance Still on Payroll Tax Deferral, But Questions Remain
The presidential memorandum authorizing the deferment of payments of the employee portion of Social Security taxes takes effect tomorrow. On Friday, the Internal Revenue Service issued guidance that defines the deferral process as voluntary for the employee, but is silent if the employer is mandated to offer the option to employees.

The memorandum authorizes deferment of withholding and payments of the 6.2 percent employee portion of Social Security taxes between September 1 and December 31, 2020 for individuals who make less than $4,000 per any biweekly pay period during that time.

The guidance does make clear that the deferred taxes must be withheld (repaid) from participating employee’s paychecks beginning in January of 2021 and be totally repaid by April 30, 2021. The employer is responsible to withhold and submit all deferred taxes by April 30, 2021 and may make arrangements for repayment with the employee. This could mean that participating employees would see the employee portion of Social Security withheld at 12.4 percent if the employee makes the same amount in 2021 as in 2020.

The guidance states that interest and penalties on any deferred taxes will be levied on the employer for any deferred taxes that remain unpaid as of May 1, 2021, even though it was the employee who benefited from this arrangement.

Township officials are cautioned that if an employee would take advantage of the program but leave employment with the township before repayment is made, the township would be left with this payment responsibility. This could also be problematic if an employee works full-time this year but works less hours next year or at a different rate, as it will be the employer’s responsibility to figure out how to collect the deferred payments.

To read the presidential memorandum, click here. To read the guidance, click here.

Daily PA COVID-19 Cases Decrease Again
The statewide COVID case total now stands at 133,504 while the total deaths attributed to COVID-19 has reached 7,673. At 629, new per-day positive COVID-19 cases in Pennsylvania decreased 9.8 percent compared to the prior weeks per-day rate of 698.

Pennsylvania’s statewide percent-positivity decreased for the fifth week in a row, from 3.4% one week ago to 3.2%, which is below the recommended rate of 5%. The number of current COVID-19 hospitalizations in Pennsylvania decreased slightly since August 23, from 501 to 499, and the number of COVID-19 patients on a ventilator statewide dropped to 72.

On Friday, the commonwealth identified a number of counties as having percent-positivity rates of 5% or more for the past week and as such, will carefully monitor these counties, which include Armstrong (new), Beaver, Columbia (new), Dauphin, (new), Fulton (new), Northumberland, Perry, Potter (new), and York. Townships should note that Blair, Huntingdon, Indiana, Susquehanna, and Union counties saw their percent-positivity rates drop under 5% last week and were removed from the state’s “watch” list. Armstrong and Dauphin saw their rate increase above 5% after being off for one week and were placed back on the list. Click here for more.