



September 3, 2020

Greetings from VADA,

In today's message, read notes from Gov. Ralph Northam's latest news conference addressing COVID-19. See what materials are and will soon be available to help and your dealership(s) comply with Virginia's Emergency Temporary Standard (ETS). And learn about President Donald Trump's payroll tax deferral initiative and corresponding guidance from the U.S. Treasury.

Have a safe and wonderful Labor Day weekend. If you need anything, please let us know. We're here for you.

Gov. Northam tells Virginians: "Be careful this Labor Day weekend," as Phase Three continues.

In a news conference Tuesday (Sept. 1), Gov. Northam implored Virginians to remain vigilant in adhering to the Commonwealth's health restrictions, as we approach Labor Day. While numbers in most of the state are encouraging, the Governor said the virus remains "alive and well," necessitating our continued efforts to mitigate its spread.

Partly because of the spikes Virginia and the country experienced in weeks following Memorial Day and July 4, respectively, the Commonwealth will *not* see a lessening of restrictions on businesses and individuals prior to the holiday. Gov. Northam pointed to schools reopening as an additional reason for doubling down on existing compliance measures rather than easing health rules in place.

Also, the Governor expressed approval for the widespread adoption of Virginia's COVIDWISE app, designed to help people track and anonymously alert others of potential exposure to the virus. You can visit [COVIDWISE.org](https://www.covidwise.org) for more or download the free on app on your phone via Google Play or the App Store.

To summarize, the rules and restrictions on your business stemming from the Governor's executive orders remain in effect, as do separate requirements under the ETS. For months, Virginia's franchised auto dealers have worked to comply with myriad government directives. Keep up the good work!

Give us your ETS questions! VADA to record podcast, add to resources for ETS compliance.

We're recording a video and audio podcast tomorrow (Sept. 4) with VADA's Legal and Legislative Affairs team. The topic: Virginia's COVID-19 workplace safety requirements, known as the ETS. We'll cover where your dealership should be in terms of training, discuss the infectious disease preparedness and response plan for "medium" risk employers, and address the questions we've been hearing the most from dealers seeking compliance. [Email us](#) with your questions by **8 a.m. tomorrow**, and we'll be sure they're answered during the show.

Since the beginning of August, VADA has offered various resources to help your business comply with the ETS. These materials, plus [resources from the Virginia Department of Labor and Industry \(DOLI\)](#), are available or linked on our website at vada.com/ets. We also include the items below for your reference.

VADA Materials

- » High Octane Podcast: Talking the ETS – **COMING SOON!**
- » [VADA Guidance: §16VAC25-220, Emergency Temporary Standard Checklist](#)
- » [Webinar: Understanding the ETS, as Employers Presentation | Q&A](#)
- » [Webinar: ETS Medium Hazard Risk Level Training Presentation](#)
- » [Frequently Asked Questions \(scroll down to this section\)](#)

DOL Materials

- » [ETS Text](#)
 - » [Training Certification Form](#)
 - » [Nine Steps to Achieve COVID-19 ETS Compliance](#)
 - » [Frequently Asked Questions](#)
 - » [Specifics of the ETS Training Presentation](#)
 - » [Overview Presentation](#)
 - » [Medium Risk Level Training Presentation](#)
 - » [Hazard Assessment](#)
 - » [Infectious Disease Plan Template](#)
 - » [Infographic](#)
 - » [Lower Risk Training](#)
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Treasury issues guidance on payroll tax deferrals.

Last month, President Trump issued a [memorandum](#) on deferring payroll tax obligations in light of COVID-19. The memorandum stipulates “While the Department of the Treasury has already undertaken historic efforts to alleviate the hardships of our citizens, it is clear that further temporary relief is necessary to support working Americans during these challenging times.” The President directed the Treasury Secretary to defer certain payroll tax obligations for that purpose.

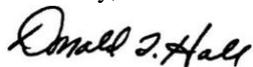
Last Friday (August 28), the IRS released [guidance](#) pursuant to the President’s directive. Here are some notes:

- The deferral involves employees’ Social Security payroll taxes.
- It applies only to those employees making less than \$4,000 pretax in any biweekly pay period from Sept. 1 through Dec. 31, 2020.
- The determination of applicable wages is made pay period-by-pay period. For instance, if an employee makes less than that threshold amount in one pay period but not the next, the deferral may occur for that initial pay period but not the latter.
- It is unclear from the guidance whether deferral is mandatory; although the omission of mandating language in the guidance suggests deferral is optional.
- If deferral occurs, the employer must then withhold and pay the applicable taxes that were deferred “ratably from wages and compensation” paid between Jan. 1 and Apr. 30, 2021. Interest and penalties will begin to accrue on May 1, 2021.

We await further guidance from NADA on President Trump’s directive and the corresponding guidance from Treasury but will relay that information once it’s available. In the meantime, consult your controller and outside accountant.

More than ever, it is a pleasure to serve the new car and truck dealers of Virginia.

Sincerely,



Donald L. Hall
President and CEO