



April 20, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi,

On behalf of the members of Worldwide ERC®, thank you for the monetary relief provided in the Coronavirus Aid, Relief and Economic Security Act “CARES Act” (H.R. 748) to the businesses and employees struggling financially due to the travel and societal interaction restrictions necessary to contain the Coronavirus (COVID-19). While we greatly appreciate the current relief, the businesses and employees that comprise the workforce mobility industry have been strongly adversely affected by the restrictions and need additional monetary relief. We therefore respectfully request that you include the three below provisions in the final versions of the economic stimulus bills being developed by the Congress.

Our over 6,000 members are individuals and businesses that fulfill the facilitation of global and domestic work through the relocation and compliance of employees across the globe, as well as the companies relocating their respective employees. Our broad and diverse membership includes relocation management companies, moving organizations, immigration firms, human resources consultancies and hundreds of other suppliers. These organizations include many small and family businesses as well as larger enterprises. The travel restrictions implemented by the U.S. and countries across the world that are necessary to contain this pandemic have brought the movement of employees and our industry to a halt. Many of our members, both employees and employers, are not in a position to further endure the restrictions without additional federal financial assistance.

A strong infrastructure for workforce mobility will be necessary for the U.S. and global economies to return to their pre-COVID-19 levels. To help preserve the workforce mobility industry and the people it employs and relocates, we request the inclusion in future economic stimulus packages of the following:

Additional Funds for the Paycheck Protection Program

Our industry employs an estimated 150,000 people with about 80% of our members being small to medium size businesses. Many of our smaller members are taking advantage of the Paycheck Protection Program which they view as a lifeline to remaining a viable business and/or maintaining current staffing levels. However, we are concerned that funding under the program has run out before all our small members have an opportunity to access the loans. Our members will not have the revenue to repay the loans in the foreseeable future and thus the ability to have the loans forgiven is absolutely critical. We therefore ask the Congress to appropriate a minimum of an additional \$250 billion to the program.



Allow Dual Use of Payroll Tax Relief and Paycheck Protection Program

Section 2302 of the CARES Act allows employers to defer paying the employer share of the Federal Insurance Contributions Act (FICA) tax, half until 2021 and half until 2022. However, employers may not defer the tax if they have a loan forgiven under the Payroll Protection Program. The fact that an employer uses borrowed funds to pay payroll costs, and subsequently has that loan forgiven, has no discernible connection to whether the employer also pays the employer share of employment taxes on time. Both provisions are designed to make funds more readily available to maintain payroll. If a small business is able to use borrowed funds to pay wages, and also to defer payment of payroll taxes, more money is made available to maintain payroll. There does not seem to be an inherent conflict between the two provisions. We thus request that small businesses be allowed to defer their FICA tax and have their loan forgiven under the Paycheck Protection Program.

Waive Affiliation Rules for Moving Companies Under Paycheck Protection Program

The travel and societal interaction restrictions have severely impacted the movement of not only employees and individuals but also their household goods. Many businesses in the household goods moving and storage industry are small and independently operated with significantly fewer than 500 employees. However, these small businesses are often affiliated with a household good moving company which through the culmination of multiple locations does exceed 500 employees. As a result, none of the small and independently operated businesses are eligible for the Paycheck Protection Program. We ask that a waiver be granted for NAICS Sector 484210 so the small independently operated businesses that move household goods can access the Paycheck Protection Program for a loan to cover their payroll and help retain their employees.

Thank you for your consideration of these requests. It is essential that the U.S. maintain a healthy infrastructure for the relocation of employees back to work.

Sincerely,

A handwritten signature in black ink that reads "Ed Hannibal". The signature is written in a cursive style with a prominent initial "E".

Ed
Ed Hannibal
Chairman of the Board
Worldwide ERC®

Worldwide ERC® is the professional association for employee mobility professionals. Since 1964, Worldwide ERC® has been committed to connecting and educating workforce mobility professionals across the globe. A global not-for-profit organization, we are headquartered in Washington, D.C., with offices in London and Shanghai, and are the source of global mobility knowledge and innovation in talent management from Europe, the Middle East and Africa, to Asia and across the Americas.