Congresswoman Pramila Jayapal (WA-07)

Paycheck Guarantee Act

Congress should act now to pass the Paycheck Guarantee Act to end mass layoffs, keep workers paid and connected to their healthcare and other benefits, prevent employers of all sizes from being forced to close permanently, and ensure that the economy is ready to restart when the pandemic ends.

Governments across the globe have shut down non-essential businesses and imposed social distancing protocols to “flatten the curve” and stop the spread of COVID-19. While many countries are experiencing precipitous drops in consumer demand as a result of these protocols, not all countries are experiencing the level of mass unemployment seen in the United States. In the last three weeks alone, 16.8 million Americans filed jobless claims. Without immediate, direct cash support for paychecks, there is a significant risk of Great Depression-era levels of unemployment and permanently shuttered business. Economic forecasters are predicting nearly 20 million jobs lost or furloughed by July, sending the unemployment above 15 percent. Mass unemployment is the result of policy choices, not pandemics. We can and should choose differently.

The Paycheck Guarantee Act would provide grants to employers of all sizes to quickly deliver paychecks to workers and provide additional support to businesses for maintenance costs. It would also ensure that employers have time to regain their footing once social distancing protocols are lifted. The Paycheck Guarantee Act includes strong protections from fraud and abuse, and converts any overpayments into low or no-interest loans, repayable by the employer. The Paycheck Guarantee Act would put the brakes on economic decline, enabling a speedier recovery and reducing the ultimate costs of the crisis to taxpayers. The scale of this crisis far exceeds anything we have seen in our lifetimes, and our response must be commensurate.

The Paycheck Guarantee Act would:

1. **Cover 100% of wages** for workers earning salaries up to $100,000 to ensure that employers keep workers paid and out of the unemployment line
2. Keep workers enrolled in employer-sponsored benefits, including health care
3. Encourage employers to **rehire** recently-laid off or furloughed workers by covering payroll retroactively to the start of the crisis
4. **Cover essential business expenses** like rent, to ensure that businesses don't shutter completely and can re-open when the pandemic ends
5. Get support to workers and employers as **quickly** as possible, using existing payroll tax infrastructure to facilitate delivery of payments
6. Keep workers attached to the labor market and businesses ready to reopen, **speeding up the economic recovery.**