



Lt Gen Dana T. Atkins, USAF (Ret)
President and CEO

September 14, 2020

The Honorable Mark T. Esper
Secretary of Defense
The Pentagon
Washington, DC 20301

The Honorable Steven T. Mnuchin
Secretary of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Based on news reports and information provided by the Defense Finance and Accounting Service, the Office of Management and Budget directed all Executive Branch Agencies to implement the tax deferral pursuant to the President's Memorandum dated August 6, 2020. We understand that your departments directed implementation of this directive effective immediately and that all covered payroll taxes will be deferred for certain servicemembers as well as federal civilian employees from all eight of our uniformed services through the end of calendar year 2020.

We are concerned that the speed with which this memorandum was implemented within your departments may have precluded a thorough and full assessment of the potential impact of the directive on servicemembers and their families. For example, we recently learned the departments will not permit individuals to "opt-out" of the payroll tax deferral based on their unique circumstances or the potential difficulty of paying back the amount deferred during the first quarter of the following calendar year. We are also concerned by the lack of any guidance or policy on when and under what circumstances the payback of the deferred payroll taxes might be further deferred or waived for financial hardship, operational deployment, or other reasons.

We appreciate current efforts to alert those individuals who will be impacted by this directive; however, lacking are efforts to advise those affected individuals on any guidance or implementation instructions regarding this temporary payroll tax deferral, the rationale for its immediate and mandatory implementation throughout your departments, and the policies and instructions governing the required payback in the event legislation authorizing permanent waiver of repayment is not forthcoming.

Thank you for your prompt attention to this request – our members have already shared their concerns and I would like to tell them how we are working with your departments to develop policies and procedures that minimize the risk of serious adverse financial consequences on these servicemembers, federal civilian employees, and their families.

Sincerely,