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Hope At Home Act Would Help Reduce the Pay Gap Facing Families of National Guardsmen, Reservists Serving Overseas

Barrow signs onto legislation that would create new, common sense incentives for American businesses; provide financial relief for military families

Washington, DC – Responding to the concerns of America’s Reservist and National Guard families, 12th District Congressman John Barrow (D-GA) today signed on as a cosponsor of bipartisan legislation that would provide significant financial relief for military families who face a loss of income when loved ones are called up to serve in times of war.

When Reservists and members of the National Guard are called for active duty, they are required to take leave from their civilian jobs. In exchange for that salary, they receive a military stipend that is often times significantly less than what they had previously been earning. This decrease in pay falls hardest on their families, who bear the brunt of the reduction in income. To cover costs, many military families work to make ends meet by paying rent or mortgages late, running up credit card debt, postponing important purchases, dipping into savings, borrowing, or even going on welfare to pay the bills.

“Whenever any reservist or member of the National Guard is called up for active duty, their families here at home are also making a tremendous sacrifice for our country,” Barrow said. “The pay gap is an unacceptable and unfair sacrifice our citizen soldiers and their families should not be forced to endure.”

“As the war continues and more American soldiers are being asked to serve longer tours, this legislation will help to reduce the financial burden that military families are forced to endure,” Barrow continued. “This bill could also help jumpstart recruitment efforts that have recently seen their numbers decline.”

The *Help our Patriotic Employers at Helping our Military Employees Act* (H.R. 838), also know as the *Hope at Home Act*, will work to ensure that the Reserve components are able to maintain adequate retention and recruitment levels by protecting the financial security of the families of activated members of the National Guard and Reserve.

The legislation proposes the following incentives:

- As a reward for any employers who have taken it upon themselves to eliminate the pay gap suffered by its employees, and as an incentive for other businesses to join them, the bill creates a tax credit equal to 50% of the amount the employer pays to the Reservist, capped at \$30,000 per employee.
- Smaller companies are disproportionately affected by an employee's activation. In order to provide relief to those businesses, as well as ensure that the employers can make differential payments for their activated employees, the legislation provides an additional tax credit of \$12,000 for the costs associated with hiring / training temporary replacement workers so long as the pay differential payments are made.
- The legislation provides a tax credit to self-employed reservists for 50% of the salary they would have made up to \$60,000.
- Currently the IRS treats differential pay payments as benefits requiring reporting on the 1099 form. Since this is a burden for the employee and the employer, the bill makes changes in how these payments are recorded – treating them as wages that only require reporting on the more easily accessible W2.
- The bill makes it easier for employers to contribute to their activated employee's retirement plans while the employee is serving our country.

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