

# What You Need to Know: COVID-19 RESPONSE THROUGH THE CARES ACT OF 2020 – STIMULUS PAYMENTS

## What are the stimulus payments?

Stimulus payments, also called economic impact payments, are payments which were approved through the CARES Act to speed relief across the U.S. Economy, in response to the COVID-19 Pandemic. These payments are considered tax rebates, paid in advance for the 2020 tax year.

## How large are the rebates?

The amount of the rebate depends on family size. The payment is \$1,200 for each adult individual (\$2,400 for joint filers), and \$500 per qualifying child under age 17. The advance payment of rebates is reduced by \$5 for every \$100 of income to the extent a taxpayer's income exceeds \$150,000 for a joint filer, \$112,500 for a head of household filer, and \$75,000 for anyone else (including single filers).



Complete phase-out of payments will occur based on filing status: for singles with income exceeding \$99,000; for head of household with income exceeding \$146,500; and for married couples with income exceeding \$198,000.

## Do rebates need to be repaid?

No, rebates do not need to be repaid. If an individual experienced an income loss in 2020 or if they have an increase in family size, they may be able to claim an additional credit of the difference when the individual files their 2020 tax federal income tax return in 2021.



## How will rebates be delivered?

Rebates will primarily be delivered automatically—by the IRS—to most Americans who file individual federal income tax returns. When possible, electronic direct deposit will be used in place of mailing a physical check.

## The IRS does not have my direct deposit information. What can I do?

In the coming weeks, individuals will be able to provide banking information on the IRS online site (link shown below). Otherwise, individuals can receive payments in the mail.

## I am not typically required to file a tax return. Can I still receive a payment?

Yes. If you don't file taxes, use the "[Non-Filers: Enter Your Payment Info Here](#)" application to provide simple information so you can get your payment. You should use this application if:



- You **did not file** a 2018 or 2019 federal income tax return because your gross income was under \$12,200 (\$24,400 for married couples). This includes people who had no income. Or
- You **weren't required to file** a 2018 or 2019 federal income tax return for other reasons
- You **are not required to file** federal income tax returns for 2018 and 2019 for any reason including:
  - Your income is less than \$12,200
  - You're married filing jointly and together your income is less than \$24,400
  - You have no income
- You have qualifying children under age 17 and you receive SSI or VA benefits (you must enter your info **by May 5**)

**Do not** use this tool if you are required to file a 2018 or 2019 tax return; you should file as you normally would.

*This document is based on information about the CARES Act of 2020 and the Families First Coronavirus Response Act (FFCRA), as of 9.25.2020. The information will be updated as these Acts are implemented.*

## **I am typically required to file, but I have not filed my tax return for 2018 or 2019. Can I still receive an economic impact payment?**

Yes. The IRS urges anyone with a tax filing obligation who has not yet filed a tax return for 2018 or 2019 to file as soon as they can to receive an economic impact payment. Taxpayers should include direct deposit banking information on the return.

## **Will the rebate affect my eligibility for federal means-tested programs?**

No, the rebate is considered a tax refund and is not counted towards eligibility for federal programs such as cash, medical, food or housing benefits. In other words, the rebate will not count as income. It also will not count toward a resource threshold for 12 months. If dollars are retained more than 12 months, and an individual has concerns about being over a resource threshold for means-tested programs, they may wish to look into setting up an ABLE account, or a Special Needs Trust as a potential avenue for resource protection.



## **If I have a past due debt to a federal or state agency, or owe back taxes, will my rebate be reduced?**

No. Only those who have past due child support payments which the states have reported to the Treasury Department, will have a reduction in the rebate amount.

## **What steps can I take if I have not yet received a stimulus payment?**

Go to <https://www.irs.gov/newsroom/economic-impact-payment-information-center-eip-eligibility-and-general-information#collapseCollapsible1598464692276> and click on, “Who still needs to take action to receive an Economic Impact Payment.”