

# HEARTLAND ALLIANCE

## COVID-19 CASH PAYMENTS

The CARES Act was signed into law on March 27, 2020, and it includes a **one-time direct cash payment to Americans**, also known as “Recovery Rebates” or “Economic Impact Payments” to help individuals make ends meeting during the COVID-19 crisis. Here’s what you need to know:

- **Adults whose income was \$75,000 or less in 2018 or 2019 will receive a one-time payment of \$1,200, plus an additional \$500 per child 16 or under.** If you qualify, you will automatically receive this payment.
- Individuals who are undocumented/have ITINs, or are part of a mixed-status family, will *not* receive the payment.
- Any outstanding child support owed *will* be deducted from the payment.
- As with any tax refund, **these payments would not count as income or resources for a 12-month period in determining eligibility** for, or the amount of assistance provided by, any federally funded public benefits.
- The IRS website has up-to-date information as they develop the process for the payments: [IRS.gov/coronavirus](https://www.irs.gov/coronavirus)

### WHO QUALIFIES FOR THE PAYMENTS?

To qualify for the payments, you:

- **Must have filed your 2018 or 2019 taxes** (if you haven’t filed your taxes for 2019 or 2018, file your 2019 taxes ASAP!) People who receive Social Security retirement benefits and Social Security Disability Insurance (SSDI) will *not* need to file taxes, but individuals who receive Supplemental Social Security Income (SSI) need to file a simple tax return – that is still being developed. Check here for the latest information: [IRS.gov/coronavirus](https://www.irs.gov/coronavirus).
- **Must have LESS income than the limits:**
  - For the full \$1,200 payment: Your adjusted gross income must be less than \$75,000 for individuals or married couples filing separately; less than \$150,000 for married couples filing joint returns; and less than \$112,500 for heads of households.
  - For people with income above those amounts, the payment amount is reduced by \$5 for each \$100 above the \$75,000/\$150,000 thresholds.
  - Individuals with income more than \$99,000, and joint filers with no children and income more than \$198,000 do not qualify.
- **Individuals and their spouses must have a Social Security number:** Unfortunately, the federal government excluded individuals who are undocumented/have ITINs and any individuals who are part of a mixed-status household. We believe this is harmful, and continue to fight for economic opportunity for all.
  - *One exception to this:* If a married couple files jointly and one of the spouses is a member of the Armed Forces, then only one spouse must have a Social Security number that authorizes work.

People are eligible for these payments regardless of housing status, criminal justice involvement or incarceration, or disability status.

### WHAT DO I NEED TO DO TO RECEIVE THIS PAYMENT?

**If you filed your 2018 or 2019 taxes, and set up direct deposit to receive your tax return, then you don’t need to do anything!** The federal government will determine whether you are eligible, and will automatically deposit the payment into your account.

**If you did not file your 2018 or 2019 taxes, we urge you to file your 2019 taxes as soon as possible.** When you do that, we recommend that you set up direct deposit to your bank account. You may be able to file your taxes for free with the IRS Free File Program. Use their Online Lookup Tool to determine which is best for you: <https://apps.irs.gov/app/freeFile/jsp/wizard.jsp>

### **WHEN WILL I RECEIVE THE PAYMENT?**

The CARES Act was passed on March 27, 2020, and the federal government is working to get the payments out as quickly as possible. They are aiming to begin sending them out towards the end of April, but it could be delayed.

### **WHAT IF I DON'T HAVE A BANK ACCOUNT, OR I DIDN'T SET UP DIRECT DEPOSIT WHEN I FILED MY TAXES?**

If you've already filed your taxes and did not give bank account information, the federal government plans to develop a web-based portal for you to provide your banking information. Stay tuned for more information about this -- it will be created in the coming weeks.

If you don't give bank account information to the government through your taxes or through their online portal, they will mail a paper check to your last known address, which will be slower.

If you would like to open a bank account, there are safe, affordable checking accounts that can be opened online. We encourage you to read our Taxes & Banking fact sheet, or this website: <https://joinbankon.org/coalitionmap/>

### **HOW WILL MY INCOME BE DETERMINED?**

For people who have already filed their 2019 tax returns, the IRS will use this information to calculate the payment amount. For people who have not yet filed their return for 2019, the IRS will use information from their 2018 tax filing to calculate the payment.

### **I RECEIVE SOCIAL SECURITY, AND I DON'T NORMALLY HAVE TO FILE A TAX RETURN. WHAT DO I DO?**

**People who receive Social Security retirement benefits and Social Security Disability Insurance (SSDI), who typically do not file a tax return, will still automatically receive the payment.**

The IRS will use the information on the Form SSA-1099 to generate payments to people who are not required to file a tax return and did not file a return for 2018 or 2019. This includes some older adults and people who receive Social Security. Since the IRS would not have information regarding any dependents for these individuals, each person would receive \$1,200 per person, *without the additional amount for any dependents at this time.*

Individuals who receive Supplemental Social Security Income (SSI) need to file a simple tax return – that is still being developed. Check here for the latest information: [IRS.gov/coronavirus](https://www.irs.gov/coronavirus).

### **I OWE CHILD SUPPORT. WILL I RECEIVE A PAYMENT?**

Owing child support does not disqualify you from receiving a payment. However, **child support debt will be deducted from the payment.**

### **I HAVE OUTSTANDING TAX DEBT. WILL I RECEIVE A PAYMENT?**

Owing tax debts does not disqualify you, and it will *not* be deducted from the payment.

### **I AM A COLLEGE STUDENT. WILL I RECEIVE A PAYMENT?**

Anyone who is claimed as a dependent on a tax return will *not* receive a payment. Usually, students under age 24 are dependents in the eyes of the IRS if a parent pays for at least half of their expenses.

### **I AM CURRENTLY OR WAS RECENTLY INCARCERATED. WILL I RECEIVE A PAYMENT?**

Incarceration does not disqualify you. If you meet the eligibility (filed taxes in 2018 or 2019, have a Social Security Number, and meet the income requirements), then you should receive a payment.

### **WILL THIS IMPACT MY PUBLIC BENEFITS?**

As with any tax refund, these payments would not count as income or resources for a 12-month period in determining eligibility for, or the amount of assistance provided by, any federally funded public benefits.