

COVID-19 and Federal Stimulus Payments

The federal CARES Act calls these payments either “refunds” or “credits.” Some have referred to them as “rebates.” We use the term Stimulus Payments, which is frequently used in the media. Go to www.irs.gov for updated information.

What are the One-Time Stimulus Payments and How Much will People Receive?

- ◆ These payments go to all U.S. residents or citizens with a work-eligible Social Security number.
- ◆ A single person with \$75,000 or less in adjusted gross income (AGI) (\$112,500 AGI if a head of household) will receive \$1,200. A married couple with \$150,000 or less in AGI will receive \$2,400.
- ◆ They will also be eligible for an additional \$500 per dependent child, giving the married couple with two children \$3,400 in most cases. The additional \$500 per child is limited to children under age 17.
- ◆ Everyone who meets the criteria, above, will get the payment automatically with no need to apply for it.

Will the Payment Come as a Check or a Direct Deposit to a Bank Account?

- ◆ If person filed a 2018 or 2019 tax return and provided the IRS with bank information for a tax refund, the payments will come as a “direct deposit” to that bank account starting in mid-April.
- ◆ Social Security disability and retirement beneficiaries will get a direct deposit. SSI beneficiaries will get the payment as they are paid each month (i.e., direct deposit, Direct Express debit card, or a check in the mail).
- ◆ All others will get their payments by mail which could take a period of several months to receive.

The IRS’s New Website to Enter Bank Information for Direct Deposit. Who Should Use It?

- ◆ See IRS *Non-Filers: Enter Payment Info* page at www.irs.gov/coronavirus/economic-impact-payments. This should be used by certain Social Security and SSI disability beneficiaries, described below.
- ◆ Social Security and SSI beneficiaries who did not file a 2018 or 2019 tax return and who have one or more dependent children under age 17, should go to this website to ensure that they receive the extra \$500 per dependent child in their stimulus payment.
- ◆ SSI beneficiaries, who did not file a 2018 or 2019 tax return and who are paid by a check in the mail, should enter their bank information on this website to ensure a timely and accurate direct deposit.
- ◆ Any new beneficiaries since January 1, 2020, of either Social Security or SSI benefits, who did not file a 2018 or 2019 tax return, will also need to go to the IRS’s website to enter their information.

Can SSI or Social Security Disability be Reduced Upon Receipt of a Stimulus Payment?

- ◆ Social Security Disability would never be reduced upon receipt of a payment like this.
- ◆ The monthly SSI payment can be reduced upon receipt of other “countable income.” The CARES Act says these payments cannot be considered income by any federal program, meaning SSI cannot count payments as income in order to reduce a monthly payment.
- ◆ The CARES Act also says that federal programs cannot consider the payments toward any resource limit for the first 12 months after receipt, giving SSI beneficiaries 12 months before any of the remaining payment would count toward their \$2,000 countable resource limit.
- ◆ Examples of federally supported programs that will not count Stimulus Payments in determining eligibility include NY’s Family Assistance cash benefit program and the SNAP program (food stamps).

The Stimulus Payment will not be Considered Taxable Income on the 2020 Federal Return

- ◆ Check with the state tax department to see if the payments will be taxable on state returns.

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