

The Stimulus Money: Economic Impact Payments (Recovery Rebates) under the CARES Act

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What is the CARES Act?

The CARES Act is the 2 trillion dollar stimulus law passed by the federal government in March 2020 responding to the COVID-19 pandemic. The law has many different parts, including money for individuals through the Economic Impact Payment also known as the Recovery Rebate.

What is an Economic Impact Payment (also known as Recovery Rebate)?

Among other things, the CARES Act provides for an Economic Impact Payment, which is a one-time payment from the government. It goes to individuals who made less than \$99,001; to married couples who made less than \$198,001; and to heads of tax households who made less than \$136,501. The amounts are from the most recent year (2019 or else 2018), and are based on adjusted gross income on your taxes.

Who is (and isn't) eligible for an Economic Impact Payment?

To receive the Economic Impact Payment, you must have a Social Security Number (SSN) that is currently valid for employment, and you cannot have been claimed as a dependent on someone else's taxes.

If you have an Individual Taxpayer Identification Number (ITIN), you are **ineligible**.

Note: You are ineligible even if you have a SSN, if your most recent tax filing (2019 or else 2018) included a spouse who has an ITIN. This unfortunately may impact some immigrant families.

What do I need to do?

The Economic Impact Payment will come to you automatically, without you needing to do anything, if you:

- Filed a tax return for 2019 (without a spouse with an ITIN on your taxes),
- Filed a tax return for 2018 (without a spouse with an ITIN on your taxes),
- Receive Social Security benefits (including retirement, disability and survivors),
- Receive Supplemental Security Income (SSI) benefits,
- Receive Railroad Retirement benefits, or
- Are a veteran or their beneficiary receiving VA Compensation or Pension (C&P) benefits.

Note: If you have not yet filed your 2019 tax return, you can still do so now. The deadline is July 15, 2020, but it is possible to file even after the deadline. Once you file your tax return, you will be eligible for an automatic Economic Impact Payment, if you meet the other eligibility criteria discussed above.

If you have none of the above benefits and have not filed taxes in 2019 or 2018 due to low or no income you must apply to receive an Economic Impact Payment.

To **apply** for an Economic Impact Payment, go to <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>

Note: Some people with small amounts of income from work may be better off filing a regular tax return and not using this non-filer form from the IRS, since a return may allow them to receive certain tax credits that are more than the Economic Impact Payment.

What if I have children under age 17?

Each dependent child under age 17 adds \$500 to the Economic Impact Payment. If you filed taxes in 2019 or 2018 with your children as dependents and are otherwise eligible, you do not need to do anything to get the extra \$500 per child.

If you did not file taxes in 2019 or 2018 and have children in your household under age 17, you should either file a tax return or apply for an Economic Impact Payment to get the extra \$500 per child. Also, the children must not be claimed as dependents on someone else's taxes, and they must have Social Security Numbers.

How much will I get?

The amount of your Economic Impact Payment depends on your family size and how much income is reported on your tax return for the most recent year (2019 or else 2018). A single person with no kids with \$75,000 or less in income will get \$1,200. A married couple with \$150,000 or less with no kids will get \$2,400. A head of household tax filer with \$112,500 or less will get \$1,200. However, the rebate amount is reduced by \$5 for every \$100 of income over these income levels. Each additional dependent child under age 17 adds an extra \$500 to the Economic Impact Payment.

When will I get the Economic Impact Payment?

We do not know when this money will come to each person. The first deposits were received by some people on April 14, 2020. People who included bank information on their tax returns may start getting their money now; otherwise, it may take weeks or months for the money to arrive. Some people may receive the money as late as September 2020.

What if my spouse and I filed taxes jointly, but only one of us has a Social Security Number and the other has an ITIN?

You may be able to amend your taxes before July 15, 2020 to Married Filing Separately, so that the spouse with a SSN can receive the Economic Impact Payment, if he or she is not over-income. After July 15, 2020, it would be much harder to amend your taxes.

Will I have to pay back the Economic Impact Payment?

No. The Economic Impact Payment is an advanced tax credit that does not come out of anything in the future. As long as you received it properly, you do not have to pay it back. It does not deduct from anything else.

Will the Economic Impact Payment harm me for immigration purposes or make me a Public Charge?

No. The Economic Impact Payment does not count towards Public Charge for immigration purposes. As long as you received it properly, it would not have any negative immigration consequences.

Will the Economic Impact Payment reduce or make me ineligible for any government benefits?

No. The Economic Impact Payment is a type of one-time tax refund. It does not count as income towards government benefits, including Public Assistance, Medicaid, SNAP (Food Stamps), SSI, Section 8, and NYCHA.

For SSI, the money does not count against the resource limit of \$2,000 (for individuals) or \$3,000 (for couples) for 12 months. For Public Assistance, it does not count against the resource limit of \$2,000 (\$3,000 age if 60+) for 2 months after the month received.

Are Economic Impact Payments subject to collections?

It depends. The Economic Impact Payments are protected from collections for federal student loans and unpaid taxes, but the money can be garnished if you owe child support arrears. New York's Attorney General has announced that the Economic Impact Payments are exempt from garnishment to pay off private debt.

What if I'm ineligible for an Economic Impact Payment but I accidentally receive one?

If you receive an Economic Impact Payment but should not have due to having income over the threshold, the IRS has indicated it will not try to recover the money. However, if you are ineligible due to your immigration status but you accidentally receive an Economic Impact Payment anyway, it is unclear whether there would be any negative immigration consequences.