

Understanding the Economic Impact Payments: Frequently Asked Questions answered by Homeless Persons Representation Project

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is part of an Economic stimulus package and will authorize stimulus payments to be made to many people in the United States called **Economic Impact Payments**. You may have heard it called by other names such as recovery rebates or stimulus checks. We have assembled possible questions you may have about who can receive Economic Impact Payments and how.

Who can receive an Economic Impact Payment?

You may be eligible to receive a Payment if you:

- Are a U.S. citizen or resident alien (with a valid Social Security Number);
- Cannot be claimed as a dependent on someone else's tax return;
- Made less than \$99,000 filing taxes as an individual or less than \$198,000 as a married couple filing taxes jointly

No minimum income is needed to be eligible for the Economic Impact Payment. You are also eligible to receive the Economic Impact Payment if you have no income, or your income comes entirely from benefit programs, such as Supplemental Security Income (SSI) benefits, Temporary Cash Assistance (TCA), or Temporary Disability Assistance Program (TDAP).

How much is the Economic Impact Payment?

Up to \$1,200 for a qualifying adult and up to \$2,400 for qualifying married couples who filed taxes jointly in 2018 or 2019. There is up to a \$500 supplemental payment per qualifying child who meets the following conditions:

- The child is your son, daughter, stepchild, eligible foster child, brother, sister, stepbrother, stepsister, half-brother, half-sister, or a descendant of any of them (for example, your grandchild, niece, or nephew)
- The child was claimed as a dependent on your tax return (if you had a tax obligation in 2018 or 2019).
- The child was under age 17 at the end of the taxable year.
- The child is a U.S. citizen, U.S. national, or U.S. resident alien.
- The child has a valid Social Security Number or an Adoption Taxpayer Identification Number (ATIN).

If you filed taxes in 2018 or 2019, the benefit is based on your income and information reported on your last tax return.

Note: The IRS may not have information about your children if you receive SSI or benefits from the Department of Veterans Affairs (service-connected disability benefits, pension or non-service connected disability benefits), and if you did not file taxes in 2018 or 2019. These recipients who do not receive a payment that includes up to \$500 for any qualifying children may file a tax return next year to determine their total payment based on 2020 and claim any additional amount they weren't paid this year. Visit the IRS website for more information: <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>

Does the Economic Impact Payment affect federal benefit programs like Supplemental Nutrition Assistance Program (SNAP), Medicaid, Supplemental Security Income (SSI) or Temporary Cash Assistance?

No. Economic Impact Payments do not count as income in the month received. The next month, any unspent Economic Impact Payment is considered a "resource". Some programs, like SSI, SNAP, and some categories of Medicaid have resource limits. The Economic Impact Payment will not count against the resource limit for 12 months. This means that any Economic Impact Payment funds that remain unspent after 12 months will count against the SSI, SNAP or Medicaid resource limit at that time and could affect your eligibility for these benefit programs. There is no resource limit in the TCA program and MAGI (Modified Adjusted Gross Income) Medicaid.

The Maryland Department of Human Services stated it will not count the Economic Impact Payment as income or a resource for the state Temporary Disability Assistance Program (TDAP). Accordingly, the Economic Impact Payment will not affect your eligibility for TDAP.

How do I receive the Economic Impact Payment?

It depends.

- If you filed taxes in 2019 or 2018, you should receive the Economic Impact Payment automatically if you are eligible.
- You will receive the benefit automatically without any action on your part if you receive Railroad Retirement, Social Security Disability (SSDI) benefits, Supplemental Security Income (SSI), or benefits from the Department of Veterans Affairs (service-connected disability benefits, pension or non-service connected disability benefits).
- If you were not required to file taxes in 2018 or 2019, the IRS created a simple form that non-filers must complete by October 15, 2020 so that the IRS can process and make the Economic Impact Payment by December 31, 2020. Click here for more information:
<https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>

I was not required to file taxes in 2018 and 2019. How do I receive the Economic Impact Payment?

You will not receive the check automatically. The IRS created a simple return for non-filers (people who are not required to file taxes). Click here for more information: <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>

Examples of people who may need to file a simple form in order to receive the Economic Impact Payment:

- If your only income in 2019 was Temporary Cash Assistance (TCA) or Temporary Disability Assistance Program (TDAP)
- Your total gross income (before taxes) in 2019 was not more than \$12,200 (single filers under 65) or \$13,850 (single filers 65 and over)
- You did not file a return for 2018 or 2019 and were not otherwise required to file a federal income tax return for 2019

Click here for more information about the non-filer form:

<https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>

You will need an email address to create an account. The tool will ask some basic information including: name, address, Social Security number, and dependents. The IRS then will confirm eligibility, calculate how much the person should receive, and send a stimulus payment. If direct deposit information is entered, the IRS will deposit the Economic Impact Payment directly to that account in due time. If no direct deposit information is provided, the IRS will mail a paper check to the address on file

Where will I receive my Economic Impact Payment?

The IRS will issue the payment to the direct deposit information that it has on file. The IRS will have this information if you provided it when you completed the simple form for non-filers or if you filed a tax return in 2018 or 2019 and you were owed a refund. If the IRS does not have direct deposit information or if you owed taxes, the IRS will mail you a paper check to the address you provided in the simple form for non-filers or to the last address the IRS has on file for you. The IRS has stated that people with direct deposit information will receive their payments faster than people who are receiving paper checks.

When will I receive my Economic Impact Payment?

Most automatic Economic Impact Payments have already been deposited into the direct deposit account on file. Paper checks are being sent by mail through September. You may check the status of your payment at <https://www.irs.gov/coronavirus/get-my-payment>.

Can I receive the Economic Impact Payment if I do not have a permanent address?

If you do not have direct deposit, the IRS will mail you a paper check if you are eligible to receive the Economic Impact Payment. Here are a few ideas of mailing addresses if you do not have one:

- Ask a family member or friend for permission to use their address
- Some organizations, health care clinics, drop-in day centers and shelters are allowing people to use their address. Before using the

address, make sure to ask a case manager or the organization if you can.

- P.O. box

I already completed a simple form for non-filers or I filed taxes in 2019. How do I notify the IRS of changes to my address, name, or direct deposit information?

You can update direct deposit information already on file with the IRS through their Get My Payment portal:

<https://www.irs.gov/coronavirus/get-my-payment>

If your name or address changed since you filed 2019 taxes, visit the IRS website for more information:

<https://www.irs.gov/filing/individual/update-my-information>

The IRS has begun to mail paper checks. You can only add or update an address or direct deposit information if a paper check has not already been processed. You can check if your payment has been processed through the IRS Get My Payment portal.

How do I receive the Economic Impact Payment through direct deposit if I do not have a bank account?

If you already filed taxes in 2018, 2019, or completed the simple form for non-filers, the IRS will send your payment by paper check if it does not already have direct deposit information on file for you.

If you have not yet filed taxes or completed the simple form for non-filers, you will need to provide a routing and account number if you want to receive the Economic Impact Payment through direct deposit.

If you do not have a bank account, you can consider opening a safe and affordable certified Bank On account. For more information, visit:

<https://covidbanking.joinbankon.org/>

You can also purchase a pre-paid reloadable card if it has a routing and account number. You should check with the financial institution to make sure the card can be used more than once and to obtain the routing number and account number (which might be different from the number on the card). Keep in mind that pre-paid cards can be easily lost or stolen. For

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more information on choosing a pre-paid card, please visit the Federal Deposit Insurance Corporation (FDIC) website:

<https://www.fdic.gov/consumers/consumer/news/september2019.html>

For more resources and information on financial topics, please visit the MD Cash Campaign website at www.mdcashacademy.org.

Can creditors garnish Economic Impact Payment?

It depends.

Economic Impact Payment will not be intercepted or garnished for overdue federal debts such as back taxes, unemployment insurance overpayments or unpaid student loans.

If you owe back child support payments (called arrears) your Economic Impact Payment may be intercepted or garnished to collect child support payments owed.

Economic Impact Payment may be intercepted or garnished by other private debt collectors or by outstanding court orders by states.

For more information, visit the IRS website at:

<https://www.irs.gov/coronavirus-tax-relief-and-economic-impact-payments>

You can also download IRS2Go the official mobile app of the IRS (available in English and Spanish):

<https://www.irs.gov/newsroom/irs2goapp>

What does it mean to be a “dependent”?

For tax purposes, a person (usually a parent or relative) may claim a child or an adult as a dependent if they provided more than 50% support for the adult or child in the tax year. People claim dependents to get more money back on their taxes.

How will I know if I was claimed as a dependent?

The only way to be sure of this is to ask your parent, guardian, or other supporter. If that is not possible, you can either file a 2019 tax return (if

you are required to file taxes) or complete the simple form for non-filers (if you are not required to file taxes). You should get the Economic Impact Payment if you qualify.

What if my parent or guardian fraudulently claimed me as a dependent?

If a parent or other person has claimed you as a dependent on their tax return, this will create a “return rejected by IRS” error when you try to e-file. You can print and mail the return to IRS for processing. The U.S. Treasury Department has not yet provided guidance on how to address this issue.

MVLS Tax Hotline available for Economic Impact Payment (EIP) and tax questions: (443) 451-4091

The Low Income Taxpayer Clinic at Maryland Volunteer Lawyers Service is offering a free Tax Hotline for any taxpayer who has a question about their Economic Impact Payment (aka the “Tax Stimulus Check”), filing a 2019 tax return in order to obtain the Economic Impact Payment, or about income taxes in general. This number is (443) 451-4091. The hours of the Hotline are Monday-Friday, 10-4. Callers outside of those times may leave a message, and calls will be returned.

Will I have to pay back any of the Economic Impact Payment?

No. The money is for you to use at your own discretion. It will also not reduce your tax return next year.

Avoid scams! The only place you should enter your information is through the IRS website at www.irs.gov. The IRS will *never* call, email or text to request your taxpayer information. So if you receive a call, email or text asking for personal or bank account information, it is most likely a scam. The IRS will never require you to pay a fee and will not offer the opportunity to get your payment more quickly by paying a fee.

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Other Questions about Economic Impact Payments?

The IRS posted answers to frequently asked questions here:

<https://www.irs.gov/coronavirus/economic-impact-payment-information-center>

You can also call the IRS at 1-800-919-9835.

Please keep in mind that information is constantly changing. The information in this document is current as of June 8, 2020. If you have any questions, please call the Homeless Persons Representation Project at 410-364-4198 or 410-685-6589. If you are a health care provider at Health Care for the Homeless, please call Gabriela Sevilla at 202-573-7766.