Economic Impact Payments

Who Gets a Payment and How?

April 29, 2020
Webinar Logistics

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Agenda

1 Background
2 Are You Eligible to Receive a Payment?
3 How Do You Get Your Payment?
4 Q&A
Background

As a result of the economic crisis caused by the COVID-19 pandemic, Congress passed the CARES Act, which directs the IRS and the Department of Treasury to issue cash payments to many Americans. These are called “economic impact payments.”
Are You Eligible to Receive a Payment?

- Cash Payments of up to $1200 per qualifying adult and $500 per qualifying child.
  - Payments decrease ratably and stop altogether for single workers making more than $99,000 ($198,000 for married workers and $218,000 for a family of four).

- **Qualifying Adult:**
  - (1) Legal resident of the U.S. with an SSN,
  - (2) 16 or older,
  - (3) Not a dependent, AND
  - (4) Make $75,000 or less per year.

- **Qualifying Child:**
  - (1) Legal Resident of the U.S. with an SSN,
  - (2) Dependent, AND
  - (3) Under 17 as of December 31, 2019.
What Is a Dependent?

- Dependents are not eligible to receive $1200 payments.

- A person who meets all 3 criteria is a dependent:
  - under the age of 19 at the end of 2019,
  - lived with a parent, foster parent, brother, sister, half-brother, half-sister, stepbrother, or stepsister (or a descendant of any of them) for more than half of 2019, AND
  - provided 50% or less of their own support for 2019.

A youth that checks all 3 boxes is considered a dependent, and the youth will not be entitled to an economic impact payment on their own behalf.
How Do I Get My Payment?

- The IRS is administering the payments.

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<tr>
<th>If</th>
<th>Then</th>
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<tbody>
<tr>
<td>You filed a 2018 or 2019 U.S. tax return</td>
<td>You will automatically receive a payment, either by direct deposit or by a check mailed to the address provided on your last return</td>
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<tr>
<td>You didn’t file and earn less than $12,200 ($24,400 for married couples)</td>
<td>You can provide the IRS with basic information through the <a href="https://www.irs.gov">Non-Filers Portal</a> on the IRS website:</td>
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<td>• Name, address, email address, date of birth, SSN required for each adult</td>
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<td></td>
<td>• Name, relationship, and SSN or Adoption Taxpayer Identification Number required for each child</td>
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Confidentiality

• Tax return information is confidential.
  • The IRS cannot share taxpayer information without permission.
  • Even law enforcement can only gain access to tax information with a court order.

• Avoid scams.
  • The IRS will never call, email, or text and request taxpayer information.
  • Watch out for websites and social media attempts that request money or personal information and for schemes tied to Economic Impact Payments.
  • Scammers may ask a taxpayer to sign over their check or send a bogus check and ask the taxpayer to verify information online.
Common Issues

• **Parents fraudulently/erroneously claimed the youth as a dependent**
  • If a parent or other person claimed the youth as a dependent on their return, this will create a “return rejected by IRS” error when the youth tries to e-file.
  • We do not yet know whether the Non-Filers Portal will also reject the information provided.
  • The IRS and the Department of the Treasury have not yet provided guidance on how to address this issue.

• **Direct deposit or address is out of date**
  • This information can be updated by either filing the 2019 return with the new information, or updating the information through the IRS website’s [Get My Payment](https://www.irs.gov) portal.
Questions?
Resources

• **Information on Obtaining a SSN**: [https://www.ssa.gov/ssnumber/](https://www.ssa.gov/ssnumber/)