



## Economic Impact Payments

The Economic Impact Payment (EIP), a component of the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress on 3/27/20, is a one-time payment of up to \$1,200 per each *qualifying* adult. The CARES Act also provides for additional payments for *qualifying* children. The EIP is sometimes referred to as the Coronavirus Stimulus Payment or Recovery Rebate.

Information about the EIP is fast-evolving and complicated, and although the following information is believed to be accurate as of 5/6/20 (updated information since 4/28/20 is in purple fonts on this document), it is not necessarily definitive. It merely reflects our best effort to provide guidance. For up-to-date information, please visit: <https://www.irs.gov/coronavirus/economic-impact-payments>

**Who is eligible for the Economic Impact Payment?** All three requirements below must be met for EIP eligibility:

1. The person must be a US citizen or a legal resident alien<sup>1</sup> with a valid *work-eligible* Social Security number (SSN)<sup>2, 3</sup>, and
2. The person must have an Adjusted Gross Income (AGI) *under* certain limits<sup>4</sup>, and
3. The person *cannot* be claimed as a dependent on anyone else's tax return.

If you have a child **under the age of 17** whom you have claimed as a dependent on your 2018 or 2019 tax return and who has not been claimed as a dependent of another taxpayer, then you are potentially eligible for an additional \$500 in EIP.

An EIP-eligible tax filer should receive the EIP automatically based upon the information on the most recently filed 2018 or 2019 federal tax return. If the received EIP is not for the full or expected amount or not received by 12/31/20, the EIP can still be claimed on a 2020 tax return.

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<sup>1</sup> A permanent resident (a green card holder) or an H-1B or H-2a visa holder who resides *primarily* in the US.

<sup>2</sup> For more information on different types of Taxpayer Identification Numbers (TINs), go to: <https://www.irs.gov/individuals/international-taxpayers/taxpayer-identification-numbers-tin>

<sup>3</sup> **Exceptions** to a valid SSN requirement are:

1. A member of the military who files a joint tax return with a spouse who has no SSN can get the Economic Impact Payments for the couple.
2. An adopted child under age 17 with an "Adoption Taxpayer Identification Number" (ATIN) can be claimed for the purpose of receiving the \$500 per child EIP.

<sup>4</sup> [https://www.irs.gov/pub/irs-utl/how\\_do\\_i\\_calculate\\_my\\_eip.pdf](https://www.irs.gov/pub/irs-utl/how_do_i_calculate_my_eip.pdf) is an easy-to-use chart which shows how EIP amounts are determined at different bands of AGI and tax filing status.

**Who is NOT eligible for the Economic Impact Payment?** Any one of the following conditions disqualifies a person:

- Having an [Individual Taxpayer Identification Number \(ITIN\)](#) but no SSN.
  - If one member of a household has an ITIN, **everyone in the household** who is listed on that household's tax return, including anyone with valid SSNs, is disqualified from receiving the EIP. For each adult individual in an ITIN household to get his/her own EIP requires filing a separate tax return. If the 2019 tax return has already been filed, you have to file an Amended Return on paper. Changing tax filing status could have tax consequences which may outweigh the benefit of the EIP.
  - An exception to this rule applies to members of the military (see footnote 3).
- A parent is disqualified from receiving the \$500 per child benefit if the child is between **aged 17 and 24**, whether or not the child has been claimed as a dependent. The EIP may not be payable if the young adult in this age range could be claimed as a dependent on someone else's tax return. A "financially-independent" young adult aged 17 to 24 who has not been claimed as a dependent under a parent's (or another taxpayer's) tax return must file his/her own 2018 or 2019 or 2020 tax return in order to qualify for his/her own EIP up to \$1,200. A **married** young adult aged **17 to 24** who has filed a 2018 or 2019 tax return may be eligible for his/her own EIP up to \$1,200.
- A baby born on or after 1/1/20 does not make his/her parent eligible for an additional \$500 in EIP – until his/her parent files a 2020 tax return and claims him/her as a dependent.
- As stated as the third EIP eligibility requirement on page 1, any individuals, 17 years and older, who have been **claimed as a dependent on someone else's 2018 or 2019 tax return** (whichever one was filed last) are ineligible for the \$1,200 in EIP. Such **ineligible** individuals include those who receive benefits from the Veterans Affairs (VA), the Railroad Retirement Board (RRB), **Social Security for retirement, survivors, and disability insurance (SSDI), and Supplemental Security Income (SSI) recipients** and have been claimed as dependents on someone else's tax returns.

**Certain Groups of Non-Filers of 2018 or 2019 Tax Returns Have to Take Action:**

**Eligible beneficiaries of Social Security retirement, survivors, or SSDI, or recipients of SSI, VA, or RRB benefits** who do not have **qualifying children under the age of 17** are supposed to receive their EIP automatically.

**Beneficiaries of Social Security retirement, survivors, or SSDI, or RRB benefits who have qualifying child(ren) under the age of 17** and missed the 4/22/20 IRS's deadline to add information about such qualifying child(ren) on the Non-Filer portal will only receive the EIP up to \$1,200 for themselves automatically. In order to receive the additional \$500 EIP per qualifying child, they must wait until they have filed a 2019 or 2020 tax return with the information on their qualifying child(ren).

**SSI and VA benefit recipients who have qualifying child(ren) under the age of 17 and missed the IRS's 5/5/20 deadline** to add information about such qualifying child(ren) on the Non-Filer portal will only receive the individual EIP for themselves automatically. In order to receive the additional \$500 EIP per qualifying child, they must wait until they have filed a 2019 or 2020 tax return with the information on their qualifying child(ren).

An SSI and SSDI recipient who receives his/her benefit via [Direct Express card](#) and submit his/her information on the Non-Filer portal by the 5/5/20 and the 4/22/20 deadlines will not receive both portions of the EIP -- for him/herself and for each qualifying child – via Direct Express card. Instead, each recipient will receive the EIP by direct deposit -- if banking information is provided on the Non-Filer portal – or by paper check, mailed to the address submitted on the Non-Filer portal if the fields for banking information blank are left blank. (See the sixth bullet in the section below on the Non-Filer portal.)

**EIP-eligible individuals who became eligible for Social Security and SSI benefits on or after 1/1/20** (whether or not they have qualifying children under the age of 17) should submit their information on the [Non-Filer portal](#) **as soon as possible** if they have not already done so.

On 4/27/20, the SSA published a document with a chart of steps to be taken by Social Security and SSI recipients and the expected Payment schedule. The document is regularly updated: <https://www.ssa.gov/coronavirus/assets/materials/economic-impact-payments-for-social-security-and-ssi-recipients.pdf>

### **Some Particulars about the [Non-Filer portal](#)**

- EIP-eligible individuals who didn't claim a qualifying dependent under the age of 17 on their 2018 or 2019 tax returns (whichever return was filed last) can submit the dependent information on the Non-Filer portal to receive the EIP for the dependent.
- EIP-eligible individuals, excluding those on Social Security, SSI, RR, or VA benefits, who *were not required* to file a 2018 or 2019 tax return, can use the Non-Filer portal to receive the EIP. *However*, once information has been submitted to the Non-Filer portal, any 2019 tax return filed online subsequently will generate an **error** message, and an amended 2019 return on paper will have to be filed.
- If you have a [filing requirement](#) and have not filed a tax return for 2018 or 2019, you must file a 2019 tax return to receive the EIP; do not use the Non-Filer portal.
- The Non-Filer portal does not meet accessibility requirements of Section 508 of the Rehabilitation Act.
- No equivalent paper form is available.
- The portal does not contain a field for submitting information on the [Direct Express card](#).
- Before submitting information on the portal, it is helpful to view the FAQ page: <https://www.freefilefillableforms.com/#/fd/eip.faqs>

### **How Do I receive My EIP?**

- The same method used by the Internal Revenue Service (IRS) to send a 2018 or 2019 **tax refund** is used for the EIP.
  - To redirect the EIP to a different bank account from the one used for the tax refund, go to the IRS web page, [Get My Payment](#), to update and check the status of the EIP.

- If the bank account on the 2018 or 2019 tax refund has since been closed, the Treasury will mail a paper check to the mailing address on the tax return.
  - If the EIP has already been processed or if the 2019 tax return has already been filed, you cannot re-direct the EIP to a different bank account or a different mailing address via the “Get My Payment” portal. You can re-direct the EIP via the portal if you have only filed the 2018 tax return.
  - SSI or RR beneficiaries cannot yet (as of 4/28/20) check the status of the EIPs via [Get My Payment](#).
  - If you last received a tax refund from the IRS by paper check and the mailing address on it is no longer valid, you **cannot** submit a new mailing address via the IRS “Get My Payment” page. For remedies, go to: <https://www.irs.gov/coronavirus/get-my-payment-frequently-asked-questions#address> The IRS suspended processing requests for address changes “By Form” and “In Writing” on 4/9/20. <https://www.irs.gov/taxtopics/tc157>
- If, instead of getting a tax refund from the IRS, you owe more taxes to the federal government, the EIP will be mailed to the address on the tax return. Even if you made your tax payment electronically to the IRS, the IRS cannot use that banking information to direct deposit the EIP to you. You may use “[Get My Payment](#)” to submit your bank account number and the bank routing number to receive the EIP if the Payment has not been processed.
  - As required by law and for security reasons, the RIS will mail a letter about the EIP will be mailed to each recipient’s last known address within 15 days after the Payment is made. The letter will provide information on how the Payment was made and how to report any failure to receive the Payment.
  - Most eligible recipients of Social Security, SSI, VA, and RR benefits are expected to receive their EIP automatically on their Direct Express cards by early may if they have received these benefits on these cards. For more information, visit: <https://www.usdirectexpress.com/downloads/FAQs-EIP-042420.pdf>

### **Impacts of the EIP:**

The EIP is **not taxable**; it is considered a “refundable tax credit.”

The Social Security Administration (SSA) **will not consider the EIP as income for SSI recipients and** will also **exclude it from resources for 12 months** from the date of receipt. You do not have to report the EIP to the SSA.

The EIP **will not impact eligibility of recipients of other federal and New Jersey’s means-tested benefits** (Medicaid, Supplemental Nutrition Assistance Program-SNAP, subsidized housing, Temporary Assistance for Needy Families-TANF). You have to report the EIP to your county welfare and other offices.

The CARES Act does not require the Treasury to “claw back” (take back) any overpaid EIP. However, the IRS is in the process of issuing a guidance on this subject.

### Impacts of the EIP on **Garnishment**:

- At present, federal law does not prohibit **private debt collectors** which have judgments against you from credit card debt, medical debt, or other *non-government* debt from garnishing your EIP once it has been deposited in your bank account.
- Your EIP is protected from being garnished by the IRS and the State of New Jersey for back taxes you still owe them.
- Your EIP is not subject to garnishment for Social Security, welfare, or past unemployment compensation overpayments.
- Your EIP is not subject to garnishment for **Federal Student loan debt**.
- The EIP is subject to garnishment for **past-due child support**.

### **Individuals with a Representative Payee, and Residents of Nursing Facilities or Group Homes**

The Representative Payee is supposed to give the EIP to its beneficiary. The EIP does not have to be included in the Representative Payee report to SSA.

Residents of nursing facilities and group homes who are on Medicaid and have these facilities and group homes as their Representative Payee should be allowed to use the EIP as the residents wish. The EIP amounts are not supposed to be used in the calculation of Cost of Care.

See the 5/1/20 update on the SSA's COVID-19 web page:

[https://www.ssa.gov/coronavirus/?utm\\_content=pressrelease&utm\\_medium=email&utm\\_source=govdelivery](https://www.ssa.gov/coronavirus/?utm_content=pressrelease&utm_medium=email&utm_source=govdelivery)

### **How to Avoid Being Victimized:**

It is helpful to note that there is no requirement for an EIP recipient to pay a fee to receive the Payment.

One of the best resources is provided by the [Administration for Community Living](https://acl.gov/COVID-19) (ACL) on its COVID-19 web page: <https://acl.gov/COVID-19> The section, **More Resources: From the Federal Government: Beware of Fraud and Scams**, contains comprehensive guidance how to minimize the risk of being victimized by scammers, as well as ways to report COVID-19 scams.

Below is a link to the newly-launched [Financial Resilience Center](https://www.nationaldisabilityinstitute.org/financial-resilience-center/scams/) of the [National Disability Institute](https://www.nationaldisabilityinstitute.org/):

<https://www.nationaldisabilityinstitute.org/financial-resilience-center/scams/>

**Report scams** to the Federal Trade Commission at [ftc.gov/complaint](https://www.ftc.gov/complaint)

**People with Disabilities in all 21 Counties of New Jersey May Contact [New Jersey's Centers for Independent Living \(CILs\)](https://www.njsilc.org/centers-for-independent-living-by-county.html) for General Information on the EIP.** The link below contains contact information of **CILs** in New Jersey by county/locality: <https://www.njsilc.org/centers-for-independent-living-by-county.html>

## **Information Resources Regarding the Economic Impact Payments:**

4/24/20 webinar [\*Obtaining Economic Impact Payments for Low-Income Clients\*](#).

<https://www.justiceinaging.org/free-webcast-obtaining-economic-impact-payments-for-low-income-clients/> has links to the PowerPoint and the recording of the webinar.

Kate Lang, the Senior Attorney of “Justice in Aging” who presented the above 4/24/20 webinar, provided an updated presentation with the same title, offered by the National Center on Law and Elder Rights (NCLER) on 5/6/20. Slides of this webinar is available [here](#). The recording will soon be posted on the NCLER’s web site at: <https://ncler.acl.gov/Legal-Training.aspx>

The 5/1 and 5/6/20 updates on SSA’s web page, *Social Security and Coronavirus...*

[https://www.ssa.gov/coronavirus/?utm\\_content=pressrelease&utm\\_medium=email&utm\\_source=govdelivery](https://www.ssa.gov/coronavirus/?utm_content=pressrelease&utm_medium=email&utm_source=govdelivery)

NDI Financial Resilience Center’s COVID-19 Stimulus page:

<https://www.nationaldisabilityinstitute.org/financial-resilience-center/stimulus/>

Community Legal Services of Philadelphia, *Economic Stimulus Payments: Your Questions Answered*: <https://clsphila.org/consumer-rights/economic-stimulus-payments/>

This web page is regularly updated.

National Consumer Law Center, *FAQ on Stimulus Payments* is regularly updated on:

[https://drive.google.com/file/d/1qDSnSq\\_AXvzOCyegmJoX6h3\\_ljN-In9S/view](https://drive.google.com/file/d/1qDSnSq_AXvzOCyegmJoX6h3_ljN-In9S/view) . For more information on the National Consumer Law Center’s COVID-19 project and how to share your financial complaint, go to: <https://www.nclc.org/special-projects/covid-19-consumer-protections.html>

Consumer Financial Protection Bureau, [\*A Guide to COVID-19 Economic Stimulus Relief\*](#) (dated 4/15/20) and its 4/21/20 short video, *What Non-Tax Filers Need to Know about economic impact payments*: <https://www.consumerfinance.gov/coronavirus/economic-impact-payments-non-tax-filers/>

<https://access.nyc.gov/economic-impact-payments/>

[10 Things to Know about Economic Impact Rebate Payments](#)

## **Resources for Legal and Tax Filing Assistance**

Free Qualified Tax Preparation Assistance, including Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)

[https://www.state.nj.us/treasury/taxation/vita\\_tce/freeservices.shtml](https://www.state.nj.us/treasury/taxation/vita_tce/freeservices.shtml)

Community Health Law Project: <http://www.chlp.org/home>

Legal Services Corporation: <https://www.lsc.gov/what-legal-aid/find-legal-aid?>

Legal Services of New Jersey: <https://www.lsnj.org/GetLegalHelp.aspx>

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