

STIMULUS PAYMENTS

WHO IS ELIGIBLE AND
HOW DO THEY GET THEM?

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Legal Aid Society
OF THE DISTRICT OF COLUMBIA

MAKING JUSTICE REAL

OVERVIEW

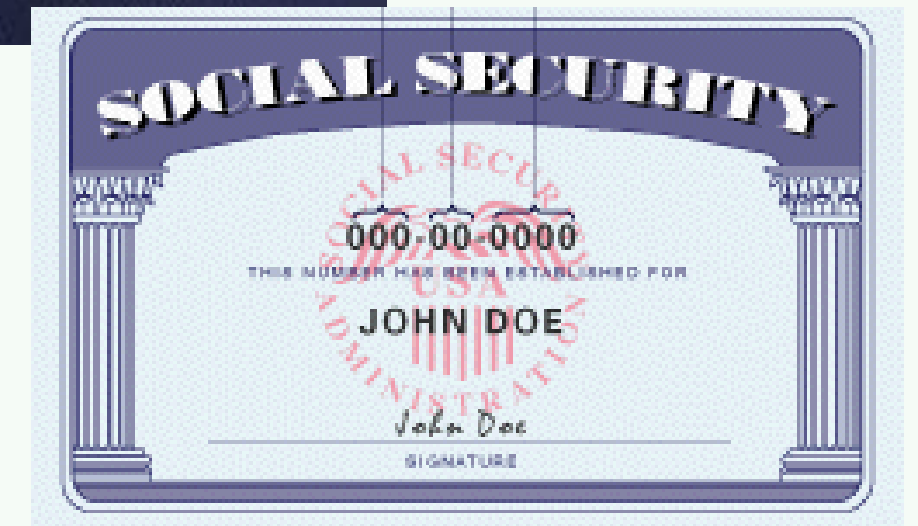
- **Who is eligible for a stimulus (Economic Impact) payment?**
 - **How much is the payment?**
 - **How do people get their payment?**
 - Filers” and “Non-Filers”
 - Who will receive a payment automatically?
 - Who must register to receive a payment?
 - Who must provide dependent information?
 - **When will people get their payment?**
 - **What could possibly go wrong?**
 - **Is the payment protected from creditors?**
- **Can the payment be garnished to repay child support arrears?**

WHO IS ELIGIBLE?

PERSONS WHO:

- Are US residents (citizens, lawful permanent residents and certain visa holders who can prove that they reside primarily in the United States under the IRS "substantial presence test")
- Are not a dependent of another taxpayer
- Have a Social Security Number
 - All tax household members must have an SSN for the household to be eligible
- And have adjusted gross income up to:
 - \$99,000 for individuals
 - \$136,500 for head of household filers
 - \$198,000 for married couples filing jointly.

“NONRESIDENT ALIENS” ARE NOT ELIGIBLE



HOW MUCH IS THE PAYMENT?

- **Up to \$1,200 for an individual adult**
 - Plus \$500 for each qualifying child (a dependent under 17 years of age)
- **The \$1,200 amount is reduced by \$5 for every \$100 over these AGI levels:**
 - \$75,000 for individuals
 - \$112,500 for head of household filers
 - \$150,000 for married couples filing jointly
- **The payments will not count as income or assets for public benefits purposes, and they are not taxable**
 - Excluded from counting as an asset for SSI purposes for one year after receipt

HOW DO PEOPLE GET THEIR PAYMENTS

FILERS AND NON-FILERS

- “Filers” are persons who must (or will) file a tax return
- “Non-filers” are persons not required to file
- Tax filing obligations are based on income, filing status, and age
 - Some persons who are not required to file a return should still do so (e.g., to obtain a refund or to claim refundable tax credits like the EITC)
 - The IRS has [a tool](#) to help persons figure out if they are required to file a return
- The IRS has [two, new online stimulus payment web portals](#):
 - Get My Payment (mostly for filers)
 - <https://www.irs.gov/coronavirus/get-my-payment>
 - Non-Filers: Enter Payment Info Here (only for non-filers)
 - <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>
- The Financial Stability Network (FSN) is providing free tax preparation (virtually!) -- fsn@cc-dc.org.

IRS PORTALS



Filers: Get Your Payment

Use the "Get My Payment" application to:

- Check your payment status
- Confirm your payment type: direct deposit or check
- Enter your bank account information for direct deposit if we don't have your direct deposit information and we haven't sent your payment yet

[Get My Payment](#)

Update your bank account or mailing address

- If we don't have your direct deposit information from your 2018 or 2019 return – and we haven't yet sent your payment – use the Get My Payment application to let us know where to send your direct deposit.
- **2019 Filers:** We will send your payment using the information you provided with your 2019 tax return. You will not be able to change it.
- **2018 Filers:** If you need to change your account information or mailing address, file your 2019 taxes electronically as soon as possible. That is the only way to let us know your new information.

Note: We are not currently able to process individual paper tax returns due to the COVID-19 outbreak.



Non-Filers: Enter Your Payment Info Here

If you don't file taxes, use the "Non-Filers: Enter Your Payment Info Here" application to provide simple information so you can get your payment.

You should use this application if:

- You **did not file** a 2018 or 2019 federal income tax return because your gross income was under \$12,200 (\$24,400 for married couples). This includes people who had no income. Or
- You **weren't required** to file a 2018 or 2019 federal income tax return for other reasons.

Do not use this application if you receive the benefits below. If you receive these benefits, we already have your information and you will receive \$1,200.

- Social Security retirement, disability (SSDI), survivor benefits, Supplemental Security Income (SSI)
- Recipients of Veterans Affairs benefits
- Railroad Retirement and Survivor Benefits

Special note: People in these groups who have qualifying children under age 17 can use this application to claim the \$500 payment per child.

[Non-Filers: Enter Payment Info Here](#)

WHO WILL GET THEIR PAYMENT AUTOMATICALLY?

- The IRS has or will *automatically* send a stimulus payment to eligible persons who:
 - Filed a return in *either* 2018 or 2019
 - Receive Social Security, SSDI, or Railroad Retirement benefits
 - Receive SSI benefits
 - Receive VA benefits
- Filers who provided bank account information for their refunds will get the payment in that account; otherwise, the IRS will issue a paper check
- Non-filers who get the benefits listed above will get the payment where their benefit payment goes (e.g., direct deposit account or Direct Express card)

WHO MUST REGISTER, AND HOW?

- *Non*-filers who do *not* receive Social Security, SSDI, Railroad Retirement, SSI, or VA benefits must complete a special registration
- See slide 11 for information about beneficiaries who have dependents under the age of 17 or [visit this link](#) for more information
- Done through the non-filer portal (no phone calls)
- FSN can assist. Contact them at FSN@CC-DC.org



WHAT INFORMATION IS NEEDED TO REGISTER?

- Full name, current mailing address and an email address
- Date of birth and valid Social Security number
- Bank account number, type and routing number (if applicable)
- Identity Protection Personal Identification Number (IP PIN) received from the IRS earlier this year (if applicable; most people don't have one)
- Driver's license or state-issued ID (if applicable)
- For each qualifying child: name, Social Security number or Adoption Taxpayer Identification Number

WHAT IS THE 'GET MY PAYMENT' PORTAL FOR?

- This IRS web portal is principally for persons who have filed a 2018 or 2019 return
- **Two purposes:**
 - Check the status of a person's payment
 - Add bank account information to avoid waiting for a paper check
- **Some reasons why the portal might report "*payment status not available*"**
 - 2019 return is still being processed
 - Lack of eligibility (e.g., filers with AGI over the limit may get this response)
 - The person making the inquiry is a non-filer and the IRS doesn't have their information in this system

WHAT ABOUT DEPENDENT INFORMATION?

- For filers, the IRS will go by the dependent information on the tax return
- Non-filers in all categories must submit dependent information in order to receive the extra \$500 per qualifying child → this information is also submitted using the non-filer portal
 - The deadline for Social Security and SSDI recipients has already expired (but they can still get the payment in the next tax year)
 - The deadline for adult SSI recipients will be sometime in early to mid-May
- FSN can assist. Contact them at *FSN @CC-DC.org*

WHEN WILL PEOPLE GET THEIR PAYMENTS?



- The IRS is releasing payments in waves
- The first wave has gone out and was to many or most persons who filed returns in 2018 or 2019 *and* who provided bank account information to obtain a refund
- The IRS will soon release the automatic payments to Social Security and SSDI recipients
- Automatic payments to SSI recipients are expected in mid-May
- Paper checks will lag behind

WHAT COULD POSSIBLY GO WRONG?

- Confusion about which web portal/tool to use
- Long wait times to access a portal
- Sudden, short deadline for adding dependent information
- Electronic payments going to closed or temporary refund accounts established by tax preparers
- Lack of access to computers/smart phones
- Identity theft
- Disputes between parents about who can claim the child as a dependent

WHAT COULD POSSIBLY GO WRONG?

Why doesn't the stimulus check include additional funds for dependent children?

If children were not claimed as dependents on the 2018 or 2019 tax return (including children born in 2020), OR their other parent claimed them as dependents first, the stimulus check will *not* include an additional \$500 per minor child.

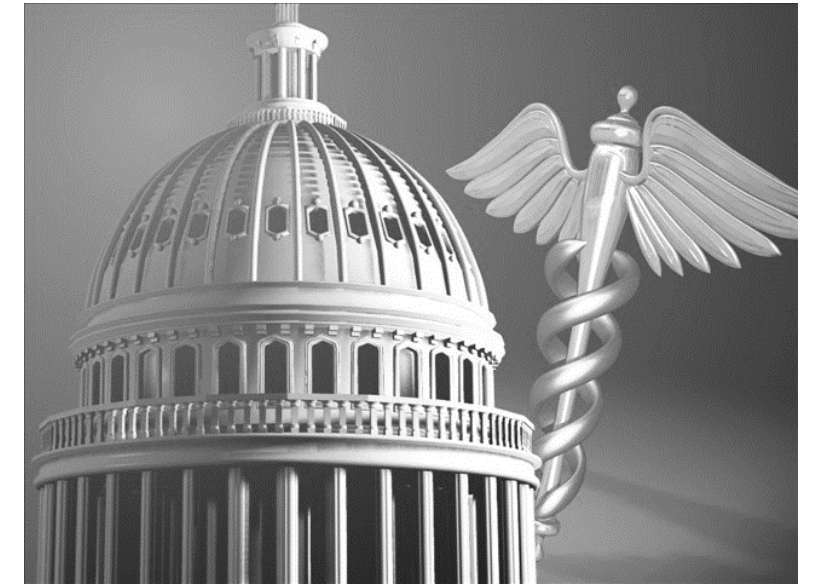
Which parent is entitled to claim minor children as dependents?

The custodial parent (the parent with whom the children spend at least half of the year) has the right to claim the children as dependents OR to give the non-custodial parent permission to claim the children by executing IRS Form 8332.

THE NON-CUSTODIAL PARENT RECEIVED THE ADDITIONAL DEPENDENT CHILD STIMULUS PAYMENTS. CAN THE CUSTODIAL PARENT GET THIS MONEY BACK?

- If the custodial parent already executed Form 8332, giving the non-custodial parent permission to claim the children on the tax returns this year, they cannot challenge receipt of the additional dependent child stimulus payment.
- If the custodial parent did not execute Form 8332 this year, they should file their 2019 paper tax return as soon as possible to challenge the non-custodial parent's receipt of tax credits (including the stimulus payments) for the dependent children.
 - The IRS will conduct an audit to determine which parent was the custodial parent.
 - Custodial parents should gather proof of their children's 2019 residency.
 - No timeline as to when such audits will commence, or when custodial parents can expect to receive tax credits that were originally claimed by non-custodial parents.

CAN CREDITORS TAKE THE STIMULUS PAYMENT?



- Under the CARES Act, governments cannot use federal tax offsets to take the payment (except for state child support agencies)
- In DC, emergency debt relief legislation prohibits judgment creditors from using any form of garnishment or attachment during the declared emergency period and for another 60 days
 - Currently, that protection ends on July 14, 2020
- Even after the protection period ends, persons who receive federal benefits by direct deposit always receive an automatic protection for all funds in the direct deposit account (with limits)
- Bank offsets for overdrafts and other obligations pose a separate risk

CAN PAYMENTS BE GARNISHED FOR CHILD SUPPORT ARREARAGES?

- Non-custodial parents who are behind on child support payments will receive reduced CARES Act stimulus funds, or none at all.
- The CARES Act permits stimulus payments to be garnished for child support debt under the *Treasury Offset Program*, just like income tax refunds.



WHAT IS THE TREASURY OFFSET PROGRAM?

The Treasury Offset Program (TOP) is a centralized federal offset program that collects delinquent debts (including child support arrears) by intercepting federal payments, such as income tax refunds, to individuals.

HOW DOES IT WORK?

- States provide the Treasury Department with a list of delinquent child support cases.
- Treasury Department garnishes funds from federal payments and sends that money to state child support agencies.
- State child support agencies process the funds received through TOP and credit them to delinquent child support accounts.
- State child support agencies distribute the funds to whomever the child support debt is owed:
 - custodial parents
 - state governments

WHO IS AT RISK OF GARNISHMENT?

Which non-custodial parents will lose out on all or part of their stimulus payment?

- Non-custodial parents who owe child support arrears of *at least \$150* for children who receive TANF benefits or are in foster care
- Non-custodial parents who owe child support arrears of *at least \$500* for children who do not receive TANF and are not in foster care.

WHAT HAPPENS TO NON-CUSTODIAL PARENTS WHO FILE JOINTLY WITH ANOTHER INDIVIDUAL?

- A married couple's *entire* CARES Act joint stimulus payment is subject to garnishment under TOP for one spouse's child support debt.
- But the other spouse can seek relief by filing IRS Form 8379, the "Injured Spouse Allocation," alongside the couple's joint tax return.
- If Form 8379 has not yet been filed, the injured spouse should file it as soon as she learns that her share of the joint stimulus payment has been or will be garnished for her spouse's child support debt.

CAN THE \$500 PAYMENT FOR AN OBLIGOR'S OTHER DEPENDENT CHILDREN BE GARNISHED?

There is no official word on whether the additional \$500 payments for dependent children are subject to TOP garnishment for child support debt, but at least one media outlet has reported that this is happening:

“

“Shanna Kidwell, a 34-year-old mother in Tiffin, Ohio, says her family’s \$4,400 stimulus payment, which includes \$500 for each of her four children, was withheld by the IRS because her husband owes about \$45,000 in back child support for two children from previous relationships.” – USA Today, April 14, 2020.

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HOW WILL THE OBLIGOR KNOW IF STIMULUS FUNDS WILL BE GARNISHED?

- The District's child support agency sends annual letters to non-custodial parents whose delinquent child support cases have been referred to TOP for garnishment of federal payments, including the stimulus payment.
- The Treasury Department sends a Notice of Offset once funds have been garnished from a non-custodial parent's federal payment, including the stimulus payment.
- Non-custodial parents may call the TOP Interactive Voice Response (IVR) system at *1-800-304-3107* to see if their case has been referred to TOP.

RESOURCES

- IRS (for submitting payment information, direct deposit information, and dependent information; both portals): [IRS EIP Page](#)
- Legal Aid FAQs: [How to Get and Protect Your Stimulus Payment](#)
- National Consumer Law Center FAQs (very good and frequently updated): [NCLC FAQs](#)
- National Immigration Law Center, [Understanding the Impact of Key Provisions of COVID-19 Relief Bills on Immigrant Communities](#)
- SSA Guidance: [SSA EIP Blog](#)
- Financial Stability Network (FSN) (for assistance with tax prep, registration for a payment, and adding direct deposit and dependent information): [FSN Website](#)
 - Email referrals preferred: FSN@CC-DC.org
 - Phone number: (202) 772-4300 ext. 153

CONTACT US or VISIT OR SOCIAL MEDIA

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