



Legal Services Department • 1631 Elysian Fields Avenue • New Orleans, LA 70117
Phone: (504) 323-2462 • Fax: (504) 662-1610

STIMULUS CHECKS – What you should know.

The Coronavirus Aid, Relief and Economic Security (CARES) Act provides for recovery rebates (i.e. stimulus check) of up to \$1,200.

- **Taxfilers:** Payments will be based on the adjusted gross income (“AGI”) reported on tax returns filed for 2019. If you have not filed your 2019 tax return, then the AGI reported on the 2018 filed tax returns will be used.
- **Nonfilers:** If you didn’t file either year because your taxable income is low enough not to necessitate a filing, don’t worry. The IRS will still be able to calculate your benefit.

UPDATED: (current as of April 2, 2020) SOCIAL SECURITY BENEFIT RECEIPIENTS

- Social Security beneficiaries who typically do not file a tax return will automatically get the \$1,200 payment.
- The IRS will set up a web-based portal for people to update their direct-deposit information.
- Paper checks will be issued as well.
- For more information, visit the IRS website (www.irs.gov) for tax preparation resources.

What is your AGI?

- Your AGI is the total amount of taxable income before deductions and personal exemptions.
- Taxable income includes salary, tips, capital gains, and income from dividends or interest. You should also include any bonuses or money made from the sale of stocks, etc.
- Employer payments of student loans for their workers will now be excluded from taxable income.

What are the benefits?

- A maximum of \$1,200 for each individual.
- A maximum of \$2,400 for joint tax filers.
- Additional \$500 for each child under the age of 17. For taxpayers who share children with someone but do not file jointly, the money goes to the person who claims them as a dependent.

What are the eligibility requirements?

To receive the **maximum** benefit,

- Individual filer *without* children must earn \$75,000 or less.
- Joint taxpayers *without* children can receive the full amount if they earn less than \$150,000.
- Heads of household can earn up to \$112,500.

DISCLAIMER: This document is written for general informational purposes and is not intended to offer legal advice for any individual situation. Information is current as of April 2, 2020.



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What if I earn more? Your benefit amount will be reduced.

For individuals with AGI above \$75,000 or joint filers with AGI above \$150,000, the amount of assistance will be reduced by \$50 for each \$1,000 of AGI above the thresholds.

- Individual filers without children who earn over \$99,000 will no longer be eligible.
- Joint filers without children can earn up to \$198,000 before they no longer qualify.

What if I have children?

The income threshold to qualify for a stimulus benefit is higher when you have children; and with each child the income threshold increases. For example,

- married couples with two children, filing jointly, can earn up to \$218,000 before they're no longer eligible for a benefit;
- heads of household, or those who file with dependents, can earn up to \$112,500 to receive the maximum benefit (\$1,200);
- *plus* an additional \$500 for each child they claim.

How and/or when will I get the check?

- Direct Deposit: If you have a bank on file with the IRS to receive your tax refunds via direct deposit. Government officials estimates checks will be issued in the next three (3) weeks. You'll be able to access the funds in a matter of weeks.
- Paper Checks: If you don't have a bank account on file with the IRS, paper checks will be mailed to you. Contact the IRS for information on this process. Note, there will likely be a significant delay in distribution of paper checks.

Will the stimulus check affect my eligibility for other benefits?

- Based on statements from the House Ways and Means Committee, no.
- Like other tax credits, these payments do not count as income or resources for means-tested programs. So receiving a rebate will not interfere with someone's eligibility for SSI, SNAP, Medicaid, ACA premium credits, TANF, housing assistance, state or federal unemployment benefits, or other income-related federal programs.

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