

THE CARES ACT FOR INDIVIDUALS

I heard the IRS was going to send everyone a check how much will I get?

Tax filers with adjusted gross income up to \$75,000 for individual will receive up to \$1,200. Tax filers with adjusted gross income up to \$150,000 for married filing jointly will receive up to \$2,500. Parents will also receive \$500 for each qualifying child. For filers with income above these amounts the payment is reduced by \$5 for each \$100 above the \$75,000/\$150,000 thresholds. Individual filers with income exceeding \$99,000 and joint filers with income above \$198,000 with no children are not eligible.

When will I get that \$1,200 check?

- If you filed a tax 2018 tax return last year or have already filed a 2019 tax return this year you will automatically receive a payment of up to \$1,200 for individual (\$2,400 married filing jointly) and \$500 for each qualifying child.
- If you elected on 2018 or 2019 tax return to have your refund direct deposited the IRS will deposit this payment into that account. The IRS should start processing payments within the next 3 weeks.

The IRS doesn't have my bank information; will I not get a payment?

You will still receive the payment.

Go to <https://www.irs.gov/coronavirus/economic-impact-payments> and click on the link under "Filers: Get your Payment" you will be able to update your information so your payment will be direct deposited or you can change your address if you have moved since you filed your last return.

I don't have to file a tax return; will I not get a payment?

You can still receive the payment. Seniors and others who typically do not file returns MAY need to submit a simple tax return to receive the payment. Low-income taxpayers, senior citizens, Social Security recipients, some veterans and individuals with disabilities who are otherwise not required to file a tax return will not owe tax but they receive a check if they complete a simple tax return.

The IRS has indicated that they will use the information on the Form SSA-1099 or Form RRB-1099 to generate recovery rebate to recipients of benefits reflected in the Form SSA-1099 or Form RRB-1099 who are not required to file a tax return and did not file a return for 2018 or 2019. This includes senior citizens, Social Security recipients and railroad retirees who are not otherwise required to file a tax return.

If you did not file a 2018 or 2019 federal tax return go to <https://www.irs.gov/coronavirus/economic-impact-payments> and click the link under Non-Filers: Enter Your Payment Info Here. You will be able to update your deposit information and mailing address.

I don't have to file a tax return, but I do have dependents will I get the extra \$500 per dependent?

Yes

If you act quickly and register at IRS.gov by noon on Wednesday April 22nd you will receive the extra \$500 with your \$1,200 payment in the next few weeks. Otherwise, your payment at this time will be just the \$1,200 and to receive the additional \$500 per child amount you will need file a return for tax year 2020.

I'm a little behind (ok maybe a lot behind) on filing my tax return. Will I get a payment?

Yes – as soon as you get caught up on filing your tax returns. Remember to include your direct deposit information on those returns.

Can I take money out of my retirement plan to help pay the bills?

Yes – if the employer sponsoring the plan allows.

Eligibility – To be eligible to take the distribution you or your spouse or dependent must have been diagnosed with SARS-CoV-2 or COVID-19 disease (by a test approved by the Centers for Disease Control and Prevention) or you must have experienced adverse financial consequences from being quarantined, furloughed, or laid off, or your work hours reduced, or you have not been able to work because you did not have child care.

- You can take up to \$100,000 out of your retirement plan and you will NOT have to pay the 10% additional tax for early distributions.
- You can take a distribution anytime until December 31, 2020.
- You must repay the distribution by December 31, 2022, if you do not you will be required to file amended tax returns for 2020 and 2021 and recognize 1/3 of the distribution as income on each of the tax years – 2020, 2021, 2022. While it will not be subject to the early withdrawal penalty you still will be responsible for the regular income tax on the distribution.
- You can also borrow up to \$100,000 from your qualified retirement plan and you will be able to delay repayment for 1 year.

The Act also waives the required minimum distribution rules (RMD) for IRA and defined contribution plans for 2020, including the first RMD for individuals that reached age 70 ½ during 2019.

If I make any charitable contributions during this time can I deduct them on my tax return?

Yes.

When you file your tax return for 2020 if you take the standard deduction, you will be allowed to deduct up to \$300 of charitable contributions in addition to the full standard deduction. If you itemize deduction on your 2020 tax return you will be able to elect a 100% of AGI limitation (rather than the 60% it has been).

What all did the Act change in regards to my health insurance?

- The Act requires all testing for COVID-19 to be covered 100% by private insurance plans. You will not be charged any copays or deductibles.
- The Act allows a high-deductible health plan with a HAS to cover telehealth services prior to a patient reaching the deductible. This means that telehealth and other remote care services could be covered pre-deductible without violating federal rules. This provision is temporary and will sunset December 31, 2021.
- The Act allows you to use funds in your HAS, Flexible Spending Accounts, Archer medical savings accounts and health reimbursement arrangements to purchase over-the-counter medical products, including those needed in quarantine and social distancing, without a prescription from a physician and it allows these funds to be used for certain menstrual care products, such as tampons and pads. This change applies to anything purchased beginning January 1, 2020.

Will I be able to draw unemployment if I lose my job because of COVID-19?

The Act created a new Pandemic Unemployment Assistance program to help those who normally cannot draw unemployment insurance, including self-employed individuals, independent contractors, those with limited work history and those who are unable to work as a result of the Pandemic.

Everyone who draws unemployment insurance or Pandemic Unemployment Assistance through the end of July 2020 will receive an extra \$600 per week.

You will not have to have a waiting period before unemployment insurance benefits begin and you will receive an additional 13 weeks of unemployment after the state unemployment is no longer available.

Did the Act address Student Loans?

Yes, your employer may now provide a student loan repayment benefit to employees on a tax-free basis. They can contribute up to \$5,250 annually toward your student loans and the payment would be excluded from your income. The cap applies to both payments on existing student loans as well as other educational assistance (tuition, fees, books) provided under current loan. This provision applies to any student loan payments made by an employer on behalf of an employee after date of enactment and before January 1, 2021.

I'm a health care provider and I would like to voluntarily to help but I'm scared of the liability?

The CARES Act provides protection to workers providing "health care services" in the public health sector, by extending a limitation on liability for volunteer health care professionals. The Act states "A volunteer health care provider shall not be liable for harm caused by his/her act or omission while providing health care services during the public health emergency relating to the COVID-19 pandemic."

The health care provider must provide his/her services in response to the present COVID-19 public health emergency and they must provide services in good faith that the patient is in need of services, they must provide their services as a volunteer and the services provided must occur within the scope of the provider's license or certification.

While you cannot be paid for your services you can be reimbursed for travel expenses IF you are providing services more than 75 miles from your residence.

I can't pay my house payment because I've lost my job can the bank foreclose and kick me out?

If your house loan is a federal backed mortgage loan, then you can request "forbearance". You will need to submit the request to the company that services your loan and you will need to affirming that you are experiencing a financial hardship during the COVID-19 emergency. Once you request the forbearance it will be granted for up to 180 days AND it can be extended for another 180 days if you request it. During the period of forbearance, no fees, penalties or interest beyond what would have been charged as if you had made the payments shall accrue on your account.

I have some rental properties and my tenants are not paying and I can't make my mortgage payment can I kick them out and get paying renter's?

First, if you have a federally backed mortgage and you are experiencing a financial hardship, you can ask for a forbearance if you were current on your payments as of February 1, 2020. Contact the company that services your loan and request a forbearance. Once you provide documentation of your financial hardship they will provide a forbearance for up to 30 days AND it can be extended for up to 2 additional 30 day periods upon request. (as long as you request it 15 days before the current forbearance expires)

A federally backed mortgage includes: FHA loans, Dept of Agriculture loans, VA loans, or if your loan has been purchased or securitized by Federal Home Loan Mortgage Corporation or Federal National Mortgage Association. Back to your question – If you have received a forbearance NO you may not, for the duration of the forbearance, evict or initiate the eviction of a tenant for nonpayment of rent. Also during the forbearance, you cannot charge any late fees, penalties or other charges to a tenant for a late payment of rent.

About us:

Communities Unlimited, Inc. is a 501(c)3 nonprofit corporation founded in 1976 that ignites hope by bridging racial, economical, and geographical boundaries in Southern communities emerging from generations of persistent poverty to build healthy businesses, healthy communities, healthy food systems, healthy bank accounts and healthy lives.

We serve seven states in the southern United States, an area where the majority of communities are rural, there is a high minority population, high poverty and food insecurity.

Communities Unlimited also is the southern partner of the national RCAP organization, together serving rural community infrastructure and facility needs.

As a Community Development Financial Institution (CDFI), we are able to leverage capital to meet needs in combination with one-on-one technical assistance. CU has made over \$45 million in loans to small rural communities and small businesses in 24 states.