



Education in Personal Money Management

Coronavirus – Covid-19: Stimulus Checks

Amount of the Payment: Most adults will receive a one-time payment of \$1,200, although some high earners might get less or nothing at all. For each qualifying child age 16 or under, the payment will be an additional \$500. No income taxes will be due on the amount of the payment.

Your actual amount depends on your income. The IRS will look at your 2019 tax return. If you haven't filed a tax return yet, they will use your 2018 return. The income they will look at is your Adjusted Gross Income on your Form 1040 tax return. You can find your adjusted gross income on Line 8b of the 2019 1040 tax return. And on Line 7 of the 2018 return. If the 2018 and 2019 returns have not been filed yet, they can use a 2019 Social Security statement showing your income to see what an employer reported to the IRS.

Single adults with Social Security numbers who have an Adjusted Gross Income of \$75,000 or less will get the full \$1,200. Married couples with no children earning \$150,000 or less will receive a total of \$2,400.

Above those income figures, the payment decreases by \$50 per \$100 over \$75,000 for singles and \$150,000 for couples until it drops to \$0 for single people earning more than \$99,000 or married people who have no children and earn more than \$198,000. A family with two children will not receive any payments if their income is more than \$218,000. You can use this [calculator](#) to determine how much you will get if you are in the phase out range.

Dependents and College Students: A person can't get a payment if someone claims them as a dependent, even if they are an adult. In most instances, everyone must have a valid Social Security number in order to be eligible. There is an exception for members of the military.

For college students, if anyone claims them as a dependent on their tax return they will not be eligible. Students under the age of 24 are usually considered to be dependents by the IRS if a parent pays for at least half of their expenses.

Other situations:

- Most people who are receiving Social Security retirement and disability payments each month will also get a stimulus payment.
- Eligible unemployed people and Veterans will also get a payment.
- U.S. citizens living abroad will get a payment as long as they meet the income requirements and have a Social Security number.

Receiving the payment: You do not have to apply for the stimulus check. If the IRS already has your bank account information, it will transfer the money to you via direct deposit based on your recent income tax figures from your returns. Most people should receive their payments around the middle of April. But this is a huge undertaking so don't be surprised if it takes longer.

You are supposed to get a notice in the mail no later than a few weeks after your payment has been sent. That notice will contain information about where the payment went and in what form it was made. If you couldn't locate the payment where it is supposed to be, you should contact the IRS according to the information on the notice.

Tax refunds are currently being garnished: If this is currently your situation because of a student loan default, your payment will not be garnished. In fact, the bill temporarily suspends nearly all efforts to garnish tax refunds to repay debts, including those to the IRS. But this waiver may not apply to people who are behind on child support.

Charitable Contributions: If you want to help people who are suffering from the pandemic. The bill makes a new deduction available for up to \$300 in annual charitable contributions. And this extends beyond 2020. It's available only to people who don't itemize their deductions. The amount you give is subtracted from your gross income.

To qualify, you must give cash to a qualified charity and not to a donor-advised fund, which is a charitable account that affluent people often use to bunch contributions in a particular year in order to maximize deductions. If you've already given money since Jan. 1, that contribution counts toward the \$300 limit.

This recap is only meant to be a summary. More information will come out as time goes on and we will try to keep you updated.

Source: Many sources and Financial Awareness Institute

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