



## **Answers to Seniors Questions about the CARES Act and Stimulus**

### **Stimulus Payments**

#### ***Who qualifies to receive a stimulus payment and how much will I receive?***

Anyone who filed a tax return 2018 or 2019. Individuals with Adjusted Gross Income (AGI) of \$75,000 or less will receive \$1,200; married couples with an AGI of \$150,000 or less will receive \$2,400; and dependents under 17 receive \$500. Single filers with income exceeding \$99,000 and \$198,000 for joint filers with no children are not eligible.

#### ***What are qualified income levels based on?***

There is no qualified minimum income threshold or requirement to receive the rebate. However, the rebate phases out at a 5 percent rate above adjusted gross incomes of \$75,000 for single filers, \$112,500 for heads of household, and \$150,000 for joint filers.

#### ***Will I receive a payment if I'm a Social Security or disability beneficiary?***

Yes, Social Security beneficiaries will automatically receive rebate payments even if they do not file federal income tax returns.

We are waiting for confirmation from the Treasury Department and Social Security Administration that they will allow Supplemental Security Income (SSI) beneficiaries, Veterans Disability Compensation and Veterans Benefits pensions recipients who do not file income taxes also to automatically receive payments

#### ***If I get Social Security and SSI will I get two stimulus payments?***

No, you will only receive one check.

#### ***Will stimulus payments be subject to federal income tax?***

No.

#### ***What about state income taxes?***

Varies from state to state. Individuals should check with their state government.

#### ***If I owe money to IRS, will my rebate payment be garnished?***

No, unless you owe back child support.

#### ***How do I claim my check?***

You do not need to claim your check (unless you have not filed a tax return this year or last year) – IRS will send rebates automatically via direct deposit or to the address provided on your most recent tax return.

#### ***How long will it take for this check to be delivered?***

Rebates sent via direct deposit will take a few weeks. Rebates sent via checks may take a few months.

#### ***Will I be taxed on this check?***

No, rebates are not taxable.



***Will I be eligible if I haven't finished filing my 2018 taxes?***

You need to have filed either a 2018 tax return or a 2019 tax return. If you have not filed either, you will not be eligible. You can file a 2019 tax return now to claim the rebate.

***Will I be eligible if I have a lien against me, but I am in non-collect status?***

Yes. Rebates will not be subject to garnishment, except if you owe back child support.

***I withdrew my retirement in 2018 - so my income that year was inflated. Is there any waiver for one-time sources of income?***

In this case, the taxpayer should file a 2019 tax return.

***So, when can I expect my money?***

Most individuals are expected to get their stimulus payments within "a few weeks," according to public statements by Treasury Secretary Mnuchin.

***Will my stimulus payment go right onto my government debit card, like my Social Security benefits are already delivered?***

The Treasury Department hasn't given details on whether these debit cards will be utilized for stimulus payments. It has advised that "recipients will receive these payments as a direct deposit or by paper check, just as they would normally receive their benefits."

## Healthcare

***Since I am sheltering in place, will phone calls to my doctor be covered under Medicare?***

The CARES Act makes telehealth appointments more accessible to Medicare beneficiaries. This will allow seniors — who are particularly vulnerable to the coronavirus — to avoid going to hospitals or doctors' offices for routine care that can be provided virtually. The telehealth option will not replace in-person health care when more extensive work ups are needed for diagnosis, or for monitoring conditions, or when patients need in-office procedures, or surgery.

***When a vaccine is developed, will Medicare cover the cost?***

When a coronavirus vaccine is available, Medicare beneficiaries will pay nothing out of pocket for the injection under Medicare Part B.

***I am afraid of running out of my prescriptions before being able to get out to my pharmacy again.***

The CARES Act enables the Medicare Part D prescription drug program to provide Medicare beneficiaries with a three-month supply of their medications.



## 401k Withdrawals

### ***I may need to withdraw money from my 401k to pay my bills. Will I pay a penalty?***

The CARES Act gives you the penalty-free option to take money out of your 401(k) plan or IRA before you are 59½.

It allows individuals to take a loan up to \$100,000 from their 401(k). IRAs don't permit loans.

(Individuals can take a coronavirus hardship distribution up to \$100,000 from a 401(k) or IRA without a 10% early withdrawal penalty and will have up to 3 years to pay the taxes or replace the funds in the account.

## Food insecurity and Seniors

### ***How can homebound seniors get food assistance?***

The CARES Act provided an additional \$480 million in flexible congregate and home-delivered nutrition services for seniors; \$20 million for Native American aging program nutrition services; and **the bill relaxes dietary guidelines to ensure that local meal providers are able to accommodate the increasing demand while facing limitations in the food supply chain during the pandemic.**

Additionally, the new expands the definition of "homebound" to clarify that older adults who are self-isolating are eligible to receive services.

Seniors or their caregivers should contact their local depts of Aging for help.

### ***Is there any other help for seniors in the CARES Act?***

Yes - \$50 million to maintain housing stability and services for low-income seniors; and \$900 million in grants to states to support immediate home energy assistance for low-income households affected by the coronavirus.

## Unemployment and Stimulus

### ***Will additional unemployment benefits be subject to taxes?***

Yes, all unemployment benefits are treated as taxable income for federal and state income tax purposes except for five states which exempt UE from their taxes (CA, PA, VA, NJ, OR)

### ***Can you receive Social Security and Unemployment benefits at the same time?***

Yes. Unemployment benefits are not counted as wages under the Social Security annual earnings test, so they won't affect your Social Security benefits.

Some states used to reduce your unemployment benefit if you collected Social Security, but that is no longer the case. All states that had such policies have repealed them.



**Is there more you'd like to know about Social Security and Medicare during this public health crisis?"**



<https://www.ncpssm.org/resources/ask-us>