

HOW TO MAKE SURE YOU RECEIVE YOUR COVID-19 STIMULUS CHECK

What is the Stimulus check?

In response to the COVID-19 pandemic, the federal government recently passed a bill known as the CARES Act (Coronavirus Aid, Relief, and Economic Security Act). This law is intended, among many things, to help individual Americans who may be experiencing financial hardship as a result of the pandemic. Part of the law includes funding to make direct payments to individuals. Individuals whose income is under \$75,000 will receive \$1,200 plus \$500 for each qualifying child dependent. Individuals whose income is between \$75,000 and \$99,000 will receive a partial stimulus payment and individuals whose income is over \$99,000 will not be eligible for a payment. Married couples whose income is under \$150,000 will receive \$2,400 plus \$500 for each qualifying child dependent. Married couples whose income is between \$150,000 and \$198,000 will receive a partial stimulus payment and couples whose income is over \$198,000 will not be eligible for a payment. Income calculations will be based on your 2019 federal tax return, if filed, or your 2018 tax return, if your 2019 has not yet been filed.

How do I ensure I get the Stimulus check?

For individuals who filed either a 2018 or 2019 federal income tax return, the IRS will calculate and automatically send the payment to the direct deposit account or address, if you elected against direct deposit, on file with the IRS based on your most recent return. In other words, if you are required to file a 2019 income tax return, you can either go ahead and file it (even though the deadline has been extended to July 15) or the IRS will simply rely on your 2018 tax return. If you did not elect direct deposit and your address has changed since your filing, you can obtain the change of address form at <https://www.irs.gov/taxtopics/tc157>.

But what about individuals who are not required to file a tax return like many Social Security Disability, Social Security Retirement, Railroad Retirement, or Supplemental Security Income recipients? The IRS and Social Security Administration have stated that those receiving Social Security Disability or Retirement or Railroad Retirement who do not file tax returns do not have to take any additional steps. These individuals will have their stimulus checks automatically sent to same account or address as their Social Security Disability or Retirement or Railroad Retirement checks. However, if the recipient has a child dependent, they will need to take additional steps like other non-filers, as outlined below, in order to receive the dependent stimulus payment of \$500.

Other non-filers, such as Supplemental Security Income recipients, Veterans Benefits recipients, or individuals who simply have low earnings, will need to enter their information on the non-filer portal available at <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>. To ensure prompt receipt of your stimulus check, in the manner in which you chose, complete the online form. You will need the following information:

- 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 you have one and want direct deposit
- Identity Protection Personal Identification Number (IP PIN) you received from the IRS earlier this year, if you have one
- Driver's license or state-issued ID, if you have one
- For each qualifying child: name, Social Security number or Adoption Taxpayer Identification Number and their relationship to you or your spouse

Lastly, the IRS has begun making payments as of the printing of this article. The IRS is also in the process of making available a tool to check the status of your payment. Once published, you can access the payment status tool by selecting "Get My Payment" at <https://www.irs.gov/coronavirus/economic-impact-payments>.

Protecting Your Stimulus Check.

As explained above, the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, provides for payments to individuals up to \$1,200 to pay for food, rent, utilities, medicine, and other basic necessities. The CARES Act protects stimulus checks from being reduced to pay certain debts owed to federal and state governments, other than child support. However, the Act does not specifically address garnishment or bank offsets for other debts such as credit card and medical bill judgments.

In general, federal benefits, such as the ones listed below, are exempt from garnishment by creditors. Exempt means that they are protected from being collected to satisfy your debt. It is vital that you do not mix funds from other sources into the bank account where these exempt funds are deposited.

- Social Security Benefits
- Supplemental Security Income (SSI) Benefits
- Veterans' Benefits
- Civil Service and Federal Retirement and Disability Benefits
- Military Annuities and Survivors' Benefits
- Student Assistance
- Railroad Retirement Benefits
- Merchant Seamen Wages
- Longshoremen's and Harbor Workers' Death and Disability Benefits
- Foreign Service Retirement and Disability Benefits
- Compensation for Injury, Death, or Detention of Employees of U.S. Contractors Outside the U.S.
- Federal Emergency Management Agency Federal Disaster Assistance.

Due to the COVID-19 pandemic, the federal government has temporarily stopped garnishing Social Security benefits for debts owed to the federal government. Generally, debts owed due to federal student loan default, taxes owed to the federal government, or overpayments of federal benefits, such as Social Security or the Supplemental Nutrition Assistance Program (SNAP), can be garnished from your federal benefits. Fortunately, on March 26, 2020, the U.S. Department of the Treasury announced that it has suspended the garnishment of Social Security Administration

benefits through September 21, 2020. During this time, Social Security benefits will not be garnished to pay non-tax debts owed to the federal government. If you owe federal taxes, those debts may still be taken from your Social Security.

At the time of this writing, the stimulus payments have not been designated as federal benefits, which would offer them the same protected status as the benefits listed above. This means that the stimulus payments can be taken from your bank account if your account is levied upon pursuant to a state court judgment for a credit card, medical bill, or other debt.

At present, the stimulus payments are scheduled to be automatically deposited into the accounts of all individuals who receive their Social Security Disability or Retirement by direct deposit, and there is no opt-out to receive a paper check posted on the IRS website. Creditors are aware that the stimulus payments are being sent out, and may be trying to seize those funds to pay their judgments. If you are aware of state court judgment creditors that have or may attempt to levy upon your bank account, you should quickly withdraw the stimulus payment upon receipt, or consider using the stimulus payment to pay bills that you know are coming due in the near future. So long as your account contains no more than two months' worth of your federal benefit payment amount, it should be protected from levy.

Will my Supplemental Security Income (SSI) or Medicaid be affected by the Stimulus payment?

No, your SSI, Medicaid, or other means-tested government benefit will not be affected by the stimulus payment. Since this stimulus payment is categorized like a tax rebate or tax refund, it is not considered income and it is not considered as part of your resources for 12 months. In other words, you must spend it within 12 months of receipt in order to maintain your eligibility for means-tested government programs.

Timing

The IRS has stated that for individuals who are receiving paper checks, it may take up to five (5) months to receive their stimulus. For individuals receiving direct deposits, the IRS has begun making payments.

Central Jersey Legal Services

CJLS' attorneys and paralegals assist individuals facing problems with Medicaid eligibility, government entitlements such as food stamps and unemployment benefits, housing issues such as eviction, family issues including divorce and child support, and consumer debt issues, among many others. All people, regardless of their financial situation, deserve a fair shot at justice – and that requires legal help. It's not justice when a senior or disabled person is denied health care services or a family loses their home simply because they couldn't afford the legal help they needed. Central Jersey Legal Services provides access to legal help and information for clients in life-changing legal situations who could not otherwise afford an attorney.

If you need legal help, please contact our Mercer County office at 609-695-6249 to be screened for eligibility.

The purpose of this article is to present a general overview of how to obtain and protect your economic stimulus check. It is not intended to be used as legal advice. Each client's case is unique and merits individual substantive and procedural legal advice from an attorney.

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