

Federal Stimulus Package Frequently Asked Questions (FAQ)

This is a summary of some questions and answers regarding the economic relief plan. Please visit <https://www.congress.gov/bill/116th-congress/senate-bill/3548/text> for more information on these topics and to view this plan in its entirety.

Stimulus Payments

How large will the payments be?

Most adults will get up to \$1,200, although some would get less. For every qualifying child age 16 or under, the payment will be an additional \$500.

How many payments will there be?

Just one.

How do I know if I will get the full amount?

It depends on your income. Single adults with Social Security numbers who have an adjusted gross income of \$75,000 or less will get the full amount. Married couples with no children earning \$150,000 or less will receive a total of \$2,400. And taxpayers filing as head of household will get the full payment if they earned \$112,500 or less. Above those income figures, the payment decreases until it stops altogether for single people earning \$99,000 or married people who have no children and earn \$198,000. A family with two children will no longer be eligible for any payments if its income surpassed \$218,000. Individuals will not receive payment if someone claims them as a dependent, even if they are an adult. In any given family, and 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.

Do college students get anything?

Not if anyone claims them as a dependent on a tax return.

What year's income should I be looking at?

2019. If you haven't prepared a tax return yet, the IRS can use your 2018 return.

Will I have to apply to receive a payment?

No. If the Internal Revenue Service already has your bank account information, it will transfer the money to you via direct deposit based on the recent income-tax figures it already has. If the IRS does not have your bank account information, eligible individuals will receive a check in the mail.

When will the payment arrive?

The Treasury Secretary said he expected most people to get their payments within three weeks.

If my payment doesn't come soon, how can I be sure that it wasn't misdirected?

According to the bill, you will get a paper notice in the mail no later than a few weeks after your payment has been disbursed. That notice will contain information about where the payment ended up and in what form it was made. If you can't locate the payment at that point, you should contact the IRS using the information on the notice.

Will most people who are receiving Social Security retirement and disability payments each month also get a stimulus payment?

Yes.

Will eligible unemployed people get these stimulus payments? Veterans?

Yes and yes.

Will U.S. citizens living abroad get a payment?

Yes, as long as they meet the income requirements and have a Social Security number.

Do I have to pay income taxes on the amount of my payment?

No.

If my income tax refunds are currently being garnished because of a student loan default, will this payment be garnished as well?

No. In fact, the bill temporarily suspends nearly all efforts to garnish tax refunds to repay debts, including those to the IRS itself. But this waiver may not apply to people who are behind on child support.

Unemployment Benefits

Who will be covered by the expanded program?

The plan includes more workers than are usually eligible for unemployment benefits, including self-employed people and part-time workers. Those who are unemployed, are partly unemployed or cannot work for a wide variety of coronavirus-related reasons are likely to receive benefits.

How much will I receive?

It depends on your state. Under the plan, eligible workers will get an extra \$600 per week on top of their state benefit.

Are gig workers, freelancers and independent contractors covered?

Yes, self-employed people are newly eligible for unemployment benefits. Benefit amounts will be calculated based on previous income, using a formula from the [Disaster Unemployment Assistance program](#).

What if I'm a part-time worker who lost my job because of a coronavirus reason, but my state doesn't cover part-time workers? Am I still eligible?

Yes. Part-time workers are eligible for benefits, but the benefit amount and how long benefits will last depend on your state. They are also eligible for the additional \$600 weekly benefit.

What if I have COVID-19 or need to care for a family member who has it?

If you've received a diagnosis, are experiencing symptoms or are seeking a diagnosis — and you're unemployed, partly unemployed or cannot work as a result — you will be covered. The same goes if you must care for a member of your family or household who has received a diagnosis.

What if my child's school or day care shut down?

If you rely on a school, a day care or another facility to care for a child, elderly parent or another household member so that you can work — and that facility has been shut down because of coronavirus — you are eligible.

What if I've been advised by a health care provider to quarantine myself because of exposure to coronavirus? And what about broader orders to stay home?

People who must self-quarantine are covered. The legislation also says that individuals who are unable to get to work because of a quarantine imposed as a result of the outbreak are eligible.

I was about to start a new job and now can't get there because of an outbreak.

You're eligible for benefits.

I had to quit my job as a direct result of coronavirus. Would I be eligible to apply for benefits?

It depends. Let's say your employer didn't lay you off but you had to quit because of a quarantine recommended by a health care provider, or because your child's day care closed and you're the primary caregiver. Situations like that are covered. But this provision wasn't intended to cover people who quit (or want to quit) because they fear that continuing to work puts them at risk of contracting coronavirus.

My employer shut down my workplace because of coronavirus. Am I eligible?

Yes. If you are unemployed, partly unemployed or unable to work because your employer closed down, you're covered under the bill.

The breadwinner of my household has died as a result of coronavirus. I relied on that person for income, and I'm not working. Is that covered?

Yes.

Whom does the bill leave out?

Workers who are able to work from home, and those receiving paid sick leave or paid family leave are not covered. New entrants to the work force who cannot find jobs are also ineligible.

How long will the payments last?

Many states already provide 26 weeks of benefits. The bill provides all eligible workers with an additional 13 weeks. So participants in states with 26 weeks would be eligible for a total of 39 weeks. The extra \$600 payment will last for up to four months, covering weeks of unemployment ending July 31, 2020.

I'm already receiving unemployment benefits. Will I receive any help?

Yes. Even if you're already receiving unemployment benefits for reasons unrelated to the coronavirus, your state-level benefits will still be extended by 13 weeks. You will also receive the extra \$600 weekly benefit from the federal government.

My unemployment recently ran out — could I sign up again?

Yes. If you've exhausted your benefits, eligible workers can generally reapply. But how much you get and for how long depends on the state where you worked. Everyone gets at least another 13 weeks, along with the extra \$600 payment.

Will this income disqualify me from any other programs?

Maybe. The additional \$600 benefit counts as income when determining eligibility for means-tested programs, except for Medicaid and the Children's Health Insurance Program, known as CHIP.

How long will I need to wait for benefits?

States have been incentivized to waive the one-week waiting period, but it's unclear how long it will take to process claims — especially with state offices so strained by a flood of them.

Student Loans

The federal government has already waived two months of payments and interest for many federal student loan borrowers. Is there a bigger break now with the new bill?

Yes. Until September 30, 2020, there will be automatic payment suspensions for any student loan held by the federal government. It is hard to contact many of the loan servicers right now, so check your account online in the coming weeks. Once you are logged in, look for the current amount due. There, you should be able to see if the servicer has reset its billing systems so that you are showing no payment due.

How do I know if my loan is eligible?

If you've borrowed money from the federal government — a so-called direct loan — in the past 10 years, you're eligible. According to the [Institute for College Access & Success](#), 90 percent of loans (in dollar terms) will be eligible. Older Federal Family Educational Loans (F.F.E.L.) that the U.S. Department of Education does not own are not eligible, nor are Perkins loans, loans from state agencies, or loans from private lenders like Discover, Sallie Mae and Wells Fargo. The holders of all those kinds of loans may be offering their own assistance programs.

Within a few weeks, you are supposed to receive notice indicating what has happened with your federal loans. You can choose to keep paying down your principal if you want. Then, after August 1, 2020, you should get multiple notices letting

you know about the cessation of the suspension period and that you may be eligible to enroll in an [income-driven repayment plan](#).

Will my loan servicer charge me interest during the six-month period?

The bill says that interest “shall not accrue” on the loan during the suspension period. At the end of the suspension, keep a close eye on what your loan servicer does (or does not do) to put you back into your previous repayment mode. Servicer errors are common.

Will the six-month suspension cost me money, since I’m trying to qualify for the public service loan forgiveness program by making 120 monthly payments?

No. The legislation says that your payment count will still go up by one payment each month during the six-month suspension, even though you will not actually be making any payments. This is true for all loan forgiveness or loan-rehabilitation programs.

Is wage garnishment that resulted from being behind on my loan payments suspended during this six-month period?

Yes. So is the seizure of tax refunds, the reduction of any other federal benefit payments and other involuntary collection efforts.

Are there changes to the rules if my employer repays some of my student loans?

Yes. Some employers do this as an employee benefit. Between the date the bill is signed and the end of 2020, they can offer up to \$5,250 of assistance without that money counting as part of the employee’s income. If the employer pays tuition for classes an employee is taking, that money will also count toward the \$5,250.

Retirement Accounts

Which retirement account rules are suspended?

For the calendar year 2020, no one will have to take a [required minimum distribution](#) from any individual retirement accounts or workplace retirement savings plans, like a 403(b) or a 401(k). That way, you aren’t forced to sell investments that may have fallen in value, which would lock in losses. If you don’t need the money now, you can let the investments sit and hope that they recover. This change would not affect traditional pension plans.

What if I have to take money out of my I.R.A. or workplace retirement plan early?

You can withdraw up to \$100,000 this year without the usual 10 percent penalty, as long as it’s because of the outbreak. Regardless of whether it is through a loan or withdrawal, the maximum amount that can be taken from a retirement account is \$100,000. You will also be able to spread out any income taxes that you owe on the amount withdrawn over three years from the date you took the distribution. And if you want, you could put the money back into the account before those three years are up, even though the rules may normally keep you from making a contribution that large. This exception applies only to coronavirus-related withdrawals. You qualify if you tested positive, a spouse or dependent tested positive or you experienced a variety of other negative economic consequences related to the pandemic. Employers can allow employees to self-certify that they are qualified to pull money from a workplace retirement account.

Other Questions about the Bill

Will there be damage to my credit report if I take advantage of any virus-related payment relief, including the student loan suspension?

No, there is not supposed to be. The bill states that during the period beginning on January 31, 2020 and continuing 120 days after the cessation of the national emergency declaration, lenders and others should mark your credit file as current, even if you avail yourself of payment modifications. If you had black marks in your file before the virus hit, those will remain unless you fix the issues during the emergency period. Credit reporting agencies can make errors. Be sure to [check your credit report](#) a few times each year, especially if you accept any help from any financial institution or biller this year.

Is there any relief for renters in the bill?

Yes. The bill puts a temporary, nationwide eviction moratorium in place for any renters whose landlords have mortgages backed or owned by Fannie Mae, Freddie Mac and other federal entities. This will last for 120 days after the bill passes, and landlords also can't charge any fees or penalties for nonpayment of rent.

Did the legislation make it illegal for any internet provider to cut off service to an individual or small business that can't pay its bills?

No.

Did the legislation make it illegal for utility providers to cut off service?

No.

Who doesn't get a check?

Single adults who make more than \$99,000 and married couples who earn more than \$198,000 won't receive stimulus checks. Those without a Social Security number and [nonresident aliens](#) — those who aren't a U.S. citizen or U.S. national and don't have a green card or have not passed the substantial presence test — aren't eligible. You're also ineligible if your parents claim you as a dependent on their taxes.