



2020 COVID-19 PAYMENTS

2434 AUTO PARK WAY · STE 100 · ESCONDIDO · CA · 92029
760-739-1040

FOR ALL U.S. RESIDENTS WITH A VALID SOCIAL SECURITY NUMBER

APRIL 2, 2020

U.S. Government Issues Direct Payments

Eligibility Requirements

Adjusted Gross Income must be less than:
\$75,000, if Single or Married Filing Separately
\$112,500, if Head of Household
\$150,000, if Married Filing Jointly



The IRS will automatically deposit \$1,200 to all taxpayers who have already filed their 2018 or 2019 tax return and gave the IRS either direct deposit or electronic debit account numbers.

Joint filers will receive \$1,200 apiece.

You must also meet all the requirements on the left.

Direct deposits **are expected** to be made **starting April 17**.

The IRS will be setting up a portal for taxpayers to upload their bank account information. After the direct deposits are made the IRS will mail checks, but no timeline has been set.

If you otherwise qualify, you will receive a payment regardless of whether you owe the government back taxes. Those who owe back child support are ineligible.

Eligibility Requirements

Adjusted Gross Income between:
\$75,001 and \$99,000 if Single or Married Filing Separately
\$112,501 and \$145,500, if Head of Household
\$150,001 and \$198,000, if Married Filing Jointly

What If My Income Is Higher?

You will still receive an advance payment but it will be reduced by \$1 for every \$5 over \$75,000 for Single filers, \$112,500 for Head of Household filers, and \$150,000 for joint filers.

What if I have a worse year?

Eligibility Requirements

2020 Adjusted Gross Income below:
\$99,000 if Single or Married Filing Separately
\$145,500, if Head of Household
\$198,000, if Married Filing Jointly

If your income drops below the numbers on the left you will receive a tax credit on your 2020 tax return equal to the amount you qualified less the amount you paid in advance.

Do my children or other dependents qualify?

Eligibility Requirements

Children who are 16-years of age or younger as of Dec. 31, 2020, and claimed

Parents and others claimed on the return are not eligible for an advance payment.

Taxpayers who claim children will get \$500 per child. In a divorced situation, the parent who claims the child receives the payment.

If the child did not file a tax return or was claimed by a parent in 2019 but will be filing on their own in 2020, they will receive the \$1,200 credit on their 2020 tax return, assuming their income is below the limits.

What If I Haven't Filed a Tax Return?

Eligibility Requirements

A tax return must be filed in order to receive an advance tax payment.

News reports initially reported that those who had no filing requirements, such as those on disability or Social Security, would not be required to file.

This is INCORRECT! The IRS announced that a simple tax return would be required to be filed in and submitted.

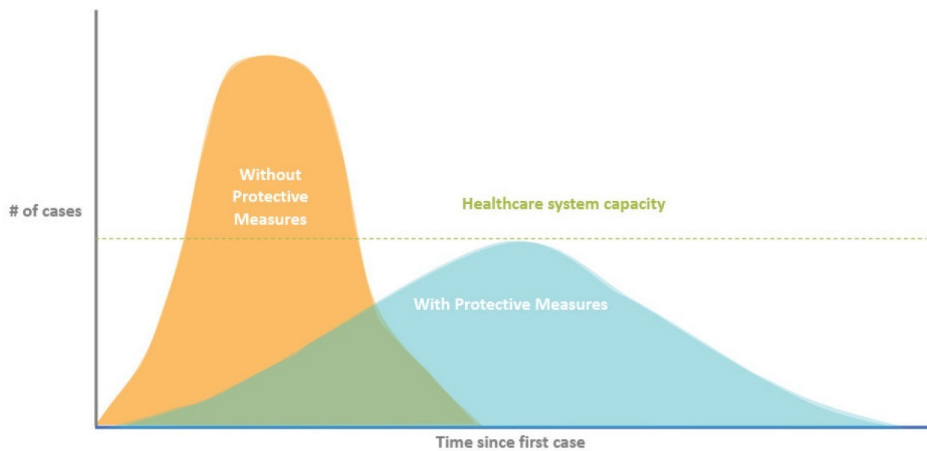
If you have not filed either a 2018 or 2019 tax return, you must do so in order to qualify for the advance payment.

When Will The IRS Stop the Payments?

The IRS will continue the advance payments throughout 2020 for those who file returns late. Because of the sheer volume of payments that need to be made, the IRS is unable to respond to any requests in the immediate future, nor is the IRS able to change bank account information for those who might have closed their accounts.

An app on their website—still in development—may allow changes.

Flatten the Curve



Adapted from CDC/The Economist

www.coronavirus-sd.com

Text: COSD COVID19 to 468-311



COUNTY OF SAN DIEGO
HHSA
HEALTH AND HUMAN SERVICES AGENCY

Please feel free to forward these newsletters to anyone you know who might benefit from this information.

Despite differing beliefs and backgrounds, we are ALL part of America and in periods of crisis, we all need to help our neighbors.

Just remember to stay six feet away...



2020 ASSISTANCE

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Unemployment Insurance Benefits

Eligibility Requirements

- Employees
- Freelancers
- Gig economy workers
- Self-Employed

In addition to regular unemployment benefits available at the state level, Pandemic Unemployment Assistance expands the types of workers eligible to apply, extends the duration of time benefits may be received, and increases the typical dollar amount of payments.

The duration of benefits is extended 13 weeks beyond the number of weeks provided under each state’s rule (typically 26 weeks).

For 4 months, benefits are **increased by \$600** per week.

While these benefits will help those most impacted by the virus outbreak, keep in mind that unemployment benefits are taxable by the IRS and 34 states. Indiana and Wisconsin tax only part of unemployment, while California, New Jersey, Oregon, Pennsylvania and Virginia resident receive unemployment benefits tax-free.

Student Loan Deferments

Eligibility Requirements

- Borrower must not be in default

Borrowers with federal student loans are permitted to defer payments penalty-free until Sept. 30, 2020.

The borrower must request a forbearance from their loan servicer. Borrowers who are not in default will automatically have their rate set at 0% for at least 60 days.

All loan requests for garnishment—and all garnishments from defaulted borrowers — have been stopped.

New 2020 Filing Deadlines

Eligibility Requirements

- Most states and the IRS have extended the filing and payment deadline to July 15

Not all states have modified their filing or payment dates to July 15, 2020 or later. If you have investments that are taxed in the following states you will need to file an extension for those states if you are planning on waiting to file.

The exceptions, as of today, are in the table below:

STATE	FILING DATE	PAYMENT DATE
Idaho	June 15	June 15
Mississippi	May 15	May 15
Virginia	May 1	June 1

Borrowing From Your Retirement Account

Eligibility Requirements

Must be borrowed before Dec. 31, 2020

You must fit one of two categories:

1. You, your spouse, or claimed dependent are diagnosed with SARS-CoV-2 or COVID-19 by a test approved by the Centers for Disease Control and Prevention,
2. You experience adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care, closing or reducing hours of a business owned or operated, or other factors yet to be announced by the Treasury or the IRS.

A majority of Americans will be allowed to borrow from their retirement accounts if need be, but please be aware there are several ramifications to doing so.

The maximum you can borrow is \$100,000, and it will be penalty-free from the IRS. As of today, many states have not weighed in on whether they will comply with this legislation.

THIS IS SUBJECT TO CHANGE DAILY.

If this is something you might be interested in, it is strongly suggested that you go to your state's website (Franchise Tax Board in California, Department of Revenue in most other states) to see if your state has complied.

Residents of the following states **do not need to worry** since their states automatically conform to IRS changes: Alaska, Colorado, Connecticut, Delaware, District of Columbia, Florida, Illinois, Kansas, Louisiana, Maryland, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Rhode Island, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming.

Residents of other states, including California, have to wait for their state legislatures to pass laws conforming to the IRS Code in order to qualify for penalty-free treatment.

While the loans are penalty-free, they are not necessarily IRS tax-free.

The amount borrowed is considered income that is included ratably in 2020, 2021 and 2022. In other words, if you borrowed \$30,000, you would count \$10,000 as income for each of the next three years. There is an election to avoid tax in each of the first two years. However the full loan amount will be included as income in 2022 if it is not repaid in full.

If you pay income tax on the money you borrowed, and you subsequently pay the money back, you are allowed to file an amended return to reclaim the tax you paid with interest.

Cash Contributions Up To \$300

Eligibility Requirements

All filers qualify

Must be in cash or cash equivalent (check, credit card, etc)



Historically, in order to deduct charitable contributions from your tax return you must itemize your deductions. For the first time in generations, if you donate to a charity you are allowed to deduct \$300 on your 2020 tax return. This provision applies for all future years as well.

You must get a receipt from the charity for your records.

The deduction will also qualify to residents of the following states do not need to worry since their states automatically conform to IRS changes: Alaska, Colorado, Connecticut, Delaware, District of Columbia, Florida, Illinois, Kansas, Louisiana, Maryland, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Rhode Island, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming.

Residents of other states have to wait for their state legislatures to pass laws conforming to the IRS Code in order to receive credit.