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FAQ on Stimulus Checks, Due Dates, Retirement Plan Provisions, Unemployment Insurance Provisions and Student Loan Provisions

Stimulus Check Provisions:

How Many Stimulus Checks Will I Get?

- You'll get just one payment.

How Much Money Will I Get?

- All U.S. residents with adjusted gross income up to \$75,000 (\$150,000 married), who are not a dependent of another taxpayer and have a work eligible Social Security number are eligible for the full \$1,200 (\$2,400 married) rebate.
- For every qualifying child age 16 or under, taxpayers will receive an additional \$500.
- The rebate amount is reduced by \$5 for each \$100 that a taxpayer's income exceeds the phaseout threshold and is completely phased out for single filers with incomes exceeding \$99,000, \$146,500 for head of household filers with one child, and \$198,000 for joint filers with no children.
- You can use one of the many online stimulus check calculators to help you figure out the estimated amount of your check (based on either your 2018 or 2019 return).

If I Haven't Filed My 2019 Return Yet, Should I Do That Now or Wait?

- There's an opportunity to manipulate the amount of your stimulus check if you haven't already filed your 2019 return. For some people, you could end up with a larger check depending on whether you file your 2019 return right away or wait to file until after you get your stimulus payment. To find out which is better, use the Stimulus Check Calculator to run the numbers using both your 2018 and projected 2019 returns (a best guess for 2019 will do in a pinch). If you get a higher amount using your 2018 return, wait to file. If the amount is better using 2019 numbers, then file as soon as you can.

If I Wait to File My 2019 Return to Get a Bigger Check, Will I Have to Pay Back the Difference Later?

- That's still an open question. The way the law is written, the checks that will be sent now are just advanced payments of a new refundable tax credit for the 2020 tax year. We don't know yet how the IRS will treat stimulus payments that are more than the 2020 tax credit amount. (If the check is less than the authorized credit, you'll get the difference when you file your 2020 return.)

What if my recent income made me ineligible, but I anticipate being eligible because of a loss of income in 2020?

- The plan does not help people in that circumstance now, but you may benefit once you file your 2020 taxes because the payment is an advance on a tax credit that is available for the entire year so it will depend on how much you earn.

Will I receive a check even if I have no income?

- Those who have no income, as well as those whose income comes entirely from non-taxable, means-tested benefit programs, such as SSI benefits, are eligible.

Do I have to do anything to get my check?

- No action will be required for most Americans to receive a rebate check as the IRS will use a taxpayer's 2019 tax return if filed, or alternatively, their 2018 return.

Can I check the status of my payment?

- Yes! A new IRS online tool will let you check the status of your payment. It can be accessed at www.irs.gov/eip.

If my payment doesn't arrive, 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, it would be time to contact the I.R.S. using the information on the notice.

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

- No

Due Dates:

Is my federal tax return still due on April 15th?

- No, the due date for federal tax returns and payment of 2019 federal tax liabilities has been deferred to July 15th.

Do I need to submit an extension to get this deferral?

- No extension form is needed now. If you need additional time to file beyond July 15th you will need to submit an extension form and payment then.

When are my 2020 federal estimated payments due?

- The IRS has deferred the due date for the 1st and 2nd 2020 estimated tax payments until July 15th. As of now, the 3rd quarter payment will still be due on September 15th and the 4th quarter payment will still be due on January 15th, 2020.

Is my Illinois tax return still due on April 15th?

- No, the due date for Illinois tax returns and payment of 2019 Illinois tax liabilities has been deferred to July 15th.

Do I need to submit an extension to get this deferral?

- No extension form is needed now. If you need additional time to file beyond July 15th you will need to submit an extension form and payment then.

When are my 2020 Illinois estimated payments due?

- Illinois has not deferred payments of 2020 estimated taxes, so they are still due on April 15th, June 15th, September 15th and January 15th.

How do I calculate my Illinois estimated tax payments?

- You now have a few more choices for determining the amount of your 2020 Illinois individual estimates sufficient to avoid penalties for late payment of estimated taxes.
 - Pay the lesser of 90% of the tax liability for the tax year 2020 in four equal installments;
 - Pay 100% of the tax liability for the year 2019 in four equal installments; or
 - Pay 100% of the tax liability for the year 2018 in four equal installments.

How can I submit my Illinois estimated tax payments?

- The easiest way is to make an online payment through the Illinois Department of Revenue's website: <https://mytax.illinois.gov/#1>. Be sure to choose the option for 2020 estimates.

I file in states other than Illinois. Are those returns and estimates deferred as well?

- The AICPA has developed this table showing the status for each state:
<https://www.aicpa.org/content/dam/aicpa/advocacy/tax/downloadabledocuments/coronavirus-state-filing-relief.pdf>

Retirement Account Provisions:**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 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 old-fashioned pensions.

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, if it's because of the outbreak.
- You will also be able to spread out any income taxes that you owe 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 did or you experienced a variety of other negative

economic consequences related to the pandemic. Employers can allow workers to self-certify that they are qualified to pull money from a workplace retirement account.

Can I still borrow from my 401(k) or other workplace retirement plan?

- Yes, and you can take out twice the usual amount. For 180 days after the bill passes, with certification that you've been affected by the pandemic, you'll be able to take out a loan of up to \$100,000. Usually you can't take out more than half your balance, but that rule is suspended.
- If you already have a loan and were supposed to finish repaying it before Dec. 31, you get an extra year.

Unemployment insurance provisions

How will the federal stimulus legislation affect Illinois unemployment benefits?

- Individuals receiving unemployment benefits beginning the week of March 29, 2020, will receive an additional \$600 each week above what they would receive in regular unemployment benefits until the week ending on July 25, 2020. Pursuant to the federal legislation, this \$600 will not be retroactively applied to unemployment claims that arose prior to March 29, 2020. In many cases, individuals will also be eligible for more weeks of unemployment above the 26 weeks provided under regular unemployment rules. Both of these benefits will be applied automatically if you qualify.

I am self-employed. Do I qualify under the new federal unemployment program?

- Under regular unemployment rules, the incomes of self-employed workers, freelancers, and independent contractors are not subject to unemployment taxes and so typically these individuals are not eligible for unemployment benefits. The stimulus package creates a new, temporary program to help people who lose this type of work as a direct result of the current public health emergency. IDES will provide information about how to apply for this benefit as soon as it is finalized.

I am a sole-proprietor and my business has shut down due to COVID-19. Will I be eligible for benefits?

- You may be eligible under the federal stimulus legislation because your business shut down due to COVID-19 issues. IDES will provide information about how to apply for this benefit as soon as it is finalized.

What if I'm temporarily laid off because the place where I work is temporarily closed because of the COVID-19 virus?

- An individual temporarily laid off in this situation could qualify for benefits as long as he or she was able and available for and actively seeking work. Under emergency rules IDES recently adopted, the individual would not have to register with the employment service. He or she would be considered to be actively seeking work as long as the individual was prepared to return to his or her job as soon the employer reopened.

Where can I get more information about unemployment benefits and claims?

- The Illinois Department of Employment Security has put together a FAQ which can be accessed here:
<https://www2.illinois.gov/ides/IDES%20Forms%20and%20Publications/Covid19-FAQ-Claimant.pdf>

Student Loan Provisions

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 Sept. 30, 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.

Which loans are eligible?

- If you've borrowed money from the federal government — a so-called direct loan — in the past 10 years, you're 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.

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 forgiveness or loan-rehabilitation programs.