



The American Rescue Plan Act: Economic Impact Payments

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WHAT ARE ECONOMIC IMPACT PAYMENTS?

Another round of direct payments from the government have already started going out to Americans this month, as authorized by a new federal law. Payments can be up to \$1,400 per person. There are different rules and amounts from previous “stimulus payments.”

WHO IS ELIGIBLE FOR PAYMENTS AND HOW MUCH?

Single adults with incomes under \$75,000 per year and married couples with income under \$150,000 get the full \$1,400 per tax-filer (and dependent). If your income is higher than those amounts, you may receive a reduced payment, but individuals with income of \$80,000 or more and couples with income of \$160,000 or more are not eligible for any payments.

If you file taxes as a “head of household,” you will get the full payment if your annual income is less than \$112,500. No payments is available if your income is \$120,000 or above as “head of household.”

Except in certain special circumstances, you must have a Social Security Number (SSN) valid for work in the U.S. to be eligible for a payment.

You do not have to work to be eligible for economic impact payments.

HOW IS MY INCOME DETERMINED?

For most people, the IRS will use your most recently filed tax return, either for 2019 or 2020, to determine your income. See below for more information about receiving the payment.

HOW WILL THE PAYMENT AFFECT MY BENEFITS?

These payments should not be counted as income for Medicaid, Public Assistance, SSI, or SNAP (food stamps), or for housing assistance programs like NYCHA, Section 8, or HASA.

If you get SSI, your payment won’t count toward your resource limit for 12 months after you receive it. But if you get HRA cash assistance or HASA, your payment will count towards your resource limit after 2 months.

If you think a benefits agency is counting your payment incorrectly, contact an attorney or benefits expert.

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WHAT'S DIFFERENT FROM THE LAST STIMULUS PAYMENTS?

There are lots of differences from previous stimulus payments, like:

- ✓ Adult dependents (including adults with disabilities and college students) are eligible for this round of payments. Their payments go to the tax-filer, not the dependent.
- ✓ People in households with mixed immigration statuses are now able to receive payments if they have an SSN valid for work. (In prior rounds, mixed immigration status households were entirely ineligible). If you have any questions or concerns about your immigration status or eligibility, speak to an immigration attorney.

HOW CAN I GET MY PAYMENT?

Your payment should come automatically (by check or direct deposit) if:

- ✓ you filed a 2019 or 2020 tax return, or
- ✓ you receive benefits from the Social Security Administration (like SSI, SSD, or retirement benefits) or certain other federal agencies, or
- ✓ you used the IRS Non-Filers tool before November 22, 2020 (to claim a previous stimulus payment).

Some payments have already been sent out by the IRS.

We do not yet know whether the IRS will make the Non-Filers tool available again.

If you don't meet any of the above criteria, you can receive a payment by filing a tax return for 2020 and claiming the "recovery rebate" on your return.

*Be sure to talk with a tax professional about whether and how you should do this before filing a return. **Eligible NYC residents can find free tax preparation assistance by calling 311.***

WHAT ELSE DOES THE NEW LAW (THE AMERICAN RESCUE PLAN ACT) DO?

Read about some other economic benefits from the American Rescue Plan on the **next page**.



The American Rescue Plan Act: Other Benefits

UNEMPLOYMENT BENEFITS

The additional \$300 per week in Pandemic Unemployment Assistance is extended through September 6th, 2021.

You don't have to pay taxes on the first \$10,200 in unemployment benefits you received in 2020, as long as your household adjusted gross income was less than \$150,000 per year.

CHILD TAX CREDIT

The Child Tax Credit was expanded for 2021. Now, parents can claim up to \$3,600 for children under 6, and \$3,000 for children ages 6 through 17. Single adults earning \$75,000 or less, and married couples with incomes of \$150,000 or less are able to claim the full amount of the increased credit.

The credit is now fully refundable, which means you can get the payments even if your total tax bill was \$0.

The changes go into effect for 2021 taxes (which won't be filed until 2022), but the IRS is going to try to make advance payments on at least some of the credit for 2021, so that struggling families won't have to wait until 2022 to receive this financial help. These advance payments may start this summer.

Speak with a tax professional if you have any questions or concerns about filing a tax return.

EARNED INCOME TAX CREDIT

For tax-filers who have earnings but no children, the earned income tax credit is going to be calculated differently this year. More people will end up being eligible for the credit, and the maximum credit amount will be \$1500, instead of the usual \$540.

Speak with a tax professional if you have any questions or concerns about filing a tax return.

SNAP (FOOD STAMP) BENEFITS

The 15% increase in monthly SNAP benefits is extended through September 30, 2021.

The Legal Wellness Institute at The Family Center provides legal assistance to NYC residents impacted by serious illness and disability.

For more information or if you need legal assistance, please contact us.