

COVID-19 STIMULUS PAYMENTS ON PEOPLE WHO RECEIVE BENEFITS FROM SOCIAL SECURITY

BY KATE MEANS, PETER GRIESER, & DANIEL PARKER 4/10/20

This memorandum explores the impact that the CARES Act, H.R. 748, 116th Cong. (2020) (hereinafter H.R. 748), passed in response to the COVID-19 pandemic, has on recipients of benefits from the Social Security Administration.

I. Will Social Security Beneficiaries Automatically Receive a Stimulus Payment?

While H.R. 748 originally required eligible recipients to file a tax return in order to receive the stimulus payment, following pressure from legislators and advocates, the Department of the Treasury has declared that Social Security beneficiaries will receive stimulus payments automatically based off their 2019 SSA-1099 if they did not file a 2018 or 2019 tax return. *Social Security Recipients Will Automatically Receive Economic Impact Payments*, U.S. DEPT OF THE TREASURY (April 1, 2020), <https://home.treasury.gov/news/press-releases/sm967>.

The authority was originally silent on whether recipients of Supplemental Security Income (SSI) who do not receive an SSA-1099 would automatically receive the payments. Advocates across the nation sought to fix to the system so that SSI recipients do not have to file taxes in order to receive stimulus payments. On April 10, 2020, the IRS developed a tool for individuals who receive SSI benefits, or less than \$12,200 in yearly income, to input their information so that they can receive automatic payments. The website for the tool is: <https://www.freefilefillableforms.com/#/fd/EconomicImpactPayment>. *Treasury, IRS launch new tool to help non-filers register for Economic Impact Payments*. (April 10, 2020), <https://www.irs.gov/newsroom/treasury-irs-launch-new-tool-to-help-non-filers-register-for-economic-impact-payments>. However, at this time, individuals who receive SSI and do not have access to a computer or internet are still likely required to file a paper tax return with the IRS in order to receive stimulus payments.

II. The Stimulus Payment Will Not Count as Income or Resources

In the case of individuals receiving SSI benefits, the stimulus payments received “will not count as income or resources for a 12-month period in determining eligibility for, or the amount of assistance provided by, any federally funded public benefit program.” <https://crsreports.congress.gov/product/pdf/IN/IN11282> (citing 26 U.S.C. § 6409: “[A]ny...advance payment with respect to a refundable credit...under this title shall not be

taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility...for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program.”).

III. The Stimulus Payment Will Not be Garnished to Repay SSA Overpayments

For SSA benefit recipients who have incurred an overpayment, SSA may not garnish or reduce their stimulus payment in order to repay an alleged overpayment. H.R. 478 § 6428(d).¹ “[T]he bill turns off nearly all administrative offsets that ordinarily may reduce tax refunds for individuals who have past tax debts, or who are behind on other payments to federal or state governments, including student loan payments.” *CARES Act: Recovery Check FAQ*, Chuck Grassley, United States Senator for Iowa, (March 26, 2020), <https://www.grassley.senate.gov/news/news-releases/cares-act-recovery-check-faq>.

CONCLUSION

There are some unnecessary barriers that we will continue to advocate to change. Generally, the stimulus payment will not adversely affect SSA beneficiaries. Recipients will have 12 months to spend the stimulus payment before it is counted as income or resources, and those charged with overpayments will still receive their full stimulus payment – not subject to garnishment. Questions about this memorandum can be directed to Madeleine Harnois, madeleine@benefitslawcenter.org or Peter Grieser peter@benefitslawcenter.org

¹ The text of the bill I referred to seems to have repeated some subsections. I am using the version found at <https://www.congress.gov/116/bills/hr748/BILLS-116hr748enr.pdf>, and this citation refers to the second (d) of § 6428 on p. 58.