



1404 E. Yesler Way, Suite 203
Seattle, WA 98122
(206)686-7252
Fax (206)903-0675
www.benefitslawcenter.org

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. “The CARES Act provides for Economic Impact Payments to American households of up to \$1,200 per adult for individuals whose income was less than \$99,000 (or \$198,000 for joint filers) and \$500 per child under 17 years old – or up to \$3,400 for a family of four.” *The CARES Act Provides Assistance to Workers and their Families*, U.S. DEPT OF THE TREASURY, <https://home.treasury.gov/policy-issues/cares/assistance-for-american-workers-and-families>.

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. Press Release, U.S. DEPT OF THE TREASURY, *Social Security Recipients Will Automatically Receive Economic Impact Payments* (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 successfully sought a fix to the system so that SSI recipients do not have to file taxes in order to receive stimulus payments. On April 15, 2020, the Department of the Treasury put out a press release announcing that “Supplemental Security Income (SSI) recipients [with no dependent children] will automatically receive their Economic Impact Payments directly to their bank accounts through direct deposit, Direct Express debit card, or by paper check, just as they would normally receive their SSI benefits.” Press Release, U.S. DEPT OF THE TREASURY, *Supplemental Security Income Recipients Will Receive Automatic COVID-19 Economic Impact Payments* (April 15, 2020), <https://home.treasury.gov/news/press-releases/sm979>. SSI recipients with dependent children will need to utilize the IRS’s Non-Filer tool, discussed below, to receive the stimulus payment.

The IRS developed a tool for non-filers. “Non-filers” include SSI recipients with dependent children (as well as individuals with less than \$12,200 in income in 2019) – to receive payment without filing a tax return. *Treasury, IRS launch new tool to help non-filers register for Economic Impact Payments*, U.S. DEPT OF THE TREASURY (April 13, 2020), <https://www.irs.gov/newsroom/treasury-irs-launch-new-tool-to-help-non-filers-register-for-economic-impact-payments>. The non-filer tool collects basic information to determine eligibility; this information will be used to send payments to qualifying non-filers with no further action required. *Non-Filers: Enter Payment Info Here*, U.S. DEPT OF THE TREASURY (April 13, 2020), <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>. Non-filers will need to enter the following information: full names and Social Security numbers for beneficiaries as well as their spouses and/or dependents; mailing address; bank account type, tracking, and routing numbers. *Id.* The tool is accessible at: <https://www.freefilefillableforms.com/#/fd/EconomicImpactPayment>.

II. When Will Stimulus Payments Arrive?

The IRS began distributing stimulus payments this month, with the first payments arriving via direct deposit on April 11, 2020. *Coronavirus Tax Relief and Economic Impact Payments for Individuals and Families*, IRS (April 15, 2020), <https://www.irs.gov/coronavirus/coronavirus-tax-relief-and-economic-impact-payments-for-individuals-and-families>. For SSI recipients without dependent children, the “Treasury anticipates [they] will receive these automatic payments no later than early May.” *Supplemental Security Income Recipients Will Receive Automatic COVID-129 Economic Impact Payments*, *supra*. Direct deposit is the quickest way to receive this payment. *The CARES Act Provides Assistance to Workers and their Families*, *supra*. Individuals for whom the IRS not have direct deposit information will receive their checks via mail. *Id.*

On April 15, 2020, the IRS released a second new tool, Get My Payment, to help everyone – both filers and non-filers – check on the status of their payments. *IRS Statement on Get My Payment Application: Status Not Available*, IRS (April 15, 2020), <https://www.irs.gov/newsroom/irs-statement-on-get-my-payment-application-status-not-available>. The Get My Payment tool will “provide people with the status of their payment, including the date their payment is scheduled to be deposited into their bank account or mailed to them” and “allow eligible people a chance to provide their bank account information so they can receive their payment more quickly rather than waiting for a paper check.” *Treasury, IRS launch new tool to help non-filers register for Economic Impact Payments*, *supra*.¹ The tool is accessible at: <https://www.irs.gov/coronavirus/get-my-payment>.

¹ This tool is “currently operating smoothly and effectively” according to the IRS; “Media reports saying the tool ‘crashed’ are inaccurate.” *IRS Statement on Get My Payment Application: Status Not Available*, *supra*. However, due to high site volume, “users [may be] sent to an online ‘waiting room room’ for a brief wait until space becomes available.” *Id.*

III. Will Stimulus Payments 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.”).

IV. Will Stimulus Payments 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).² “[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

Generally, the stimulus payment will not adversely affect SSA beneficiaries. Most of the original barriers for Social Security beneficiaries to receive stimulus payments have been removed following pressure from advocates across the country, and most beneficiaries of both SSDI and SSI will receive their payment automatically. However, SSI recipients with dependent children (and other non-filers) are required to enter their information into the online non-filer tool; this may present an issue for such beneficiaries without access to a computer or internet service. 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.

² The text of the bill seems to have repeated some subsections. Referenced here is the version found at <https://www.congress.gov/116/bills/hr748/BILLS-116hr748enr.pdf>; the above citation refers to the second (d) of § 6428 on p. 58.