

COVID-19

FFP's Guide to Financial Resources for Pro Bono Advisors and Clients

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EMERGENCY CASH PAYMENTS

COVID-19 Stimulus Package: Emergency Stimulus Checks

Who is eligible:

- Eligibility and the amount of your stimulus payment will be determined by 2019 tax returns. 2018 tax returns can be used if you have not filed your 2019 tax return yet.
- TurboTax has also developed a [stimulus payment calculator](#).
- Individuals with Social Security numbers who make \$99,000/year or less.
- Married couples with Social Security numbers and no children who make \$198,000/year or less.
- Married couples with Social Security numbers and up to two children who make \$218,000/year or less.
- Families where not all members have Social Security numbers but have a military family member and meet the income criteria.
- Unemployed people who have Social Security numbers and meet income criteria (above).
- U.S. citizens living abroad who have Social Security numbers and meet income criteria (above).

Who is not eligible:

- Individuals without Social Security numbers.
- Individuals who are claimed as dependents on someone else's taxes.
- Families where not all members have Social Security numbers.

How it works:

- Eligible individuals making \$75,000/year or less will receive a one-time \$1200 stimulus payment.
- Eligible individuals making between \$75,000 and \$99,000 a year will receive a one-time stimulus payment, but it will gradually decrease from \$1200 according to income.
- Eligible married couples making \$150,000 or less will receive \$2400 (\$1200 per person).
- For every qualifying child 16 years old or younger, the payment will have an additional \$500.
- The payment will be distributed by direct deposit, as long as you have used direct deposit in order to receive your tax refunds.
 - » If you have not used direct deposit for your tax refunds, the check will come in the mail.
 - » You can also use TurboTax's [stimulus payment registration portal](#) to give the IRS your most up-to-date mailing address and direct deposit bank information.
- Payments are anticipated to be distributed by mid to late April.
- You will not have to pay income tax on the amount of your payment.
- If you do not typically file a tax return but are a Social Security Administration beneficiary, you do not need to file anything further to receive the payment.
- If you do not typically file a tax return and are NOT a SSA beneficiary, you will need to submit a simple tax return in order to receive a check or supply your payment information to the IRS [here](#).

UNEMPLOYMENT INSURANCE

Families First Coronavirus Response Act: Expanded Unemployment Benefits

Who is eligible:

- If you're unemployed, partly unemployed, or cannot work due to a wide variety of coronavirus-related reasons, including but not limited to
 - » If your employer closed down your workplace due to coronavirus.
 - » If you had to quit your job due to a quarantine recommendation by a health care provider, or because you are the primary caregiver and you rely on care facilities to care for household members and that facility has shut down.
 - » If you were about to start a new job, but now can't get there because of an outbreak.
 - » If you were immediately laid off from a new job and did not have a sufficient work history to qualify for benefits under normal circumstances.
 - » If you've received a diagnosis, are experiencing symptoms or are seeking a diagnosis—and you're unemployed, are partly unemployed or cannot work as a result.
 - » If you must care for a member of your family or household who has received a diagnosis.
 - » If you rely on a school, a day care or another facility to care for a child, elderly parent or another household member so that you can work—and that facility has been shut down because of coronavirus.
 - » If the breadwinner of your household has died as a result of coronavirus, you relied on that income, and you are not employed.
 - » If you are unable to get to work because of a quarantine imposed as a result of the outbreak.
- Gig workers, freelancers, and independent contractors are newly eligible for unemployment benefits.

Who is NOT eligible:

- Employees that were fired or quit under circumstances unrelated to coronavirus.
- Employees who quit over fear that continuing to work puts them at risk of contracting coronavirus.
- Employees who are able to work from home.
- Employees receiving paid sick leave or paid family leave.
- New entrants to the work force who cannot find jobs.

What it does:

- Gives \$1 billion in state grants to cover processing and paying unemployment insurance.
- Raises amount of assistance to states with high unemployment to help individuals who have exhausted benefits already.
- The amount an individual would receive depends on the state: The average worker earns about \$1,000 a week, and unemployment benefits often replace roughly 40 to 45 percent of that. The expansion would pay an extra amount to fill the gap.

- Eligible workers would get an extra \$600 per week on top of their state benefit.
- If you are a part-time worker, and your state does NOT normally provide unemployment benefits to part-time workers, you would still be eligible for some benefits.

FOR SELF EMPLOYED/GIG/INDEPENDENT CONTRACTORS

- Benefit amounts would be calculated based on previous income, using a formula from the Disaster Unemployment Assistance program.
- Self-employed workers would also be eligible for the additional \$600 weekly benefit provided by the federal government.
- Payments would be provided for an additional 13 weeks, in addition to the unemployment benefits time frame each state has in place. So eligible workers in states with a normal time frame of 26 weeks would be eligible for 39 weeks.
- The extra \$600 will last for up to four months, through July 31st, 2020.
- Expanded coverage begins retroactively on January 27th, 2020 and ends on December 31st, 2020.
- If your unemployment benefits recently ran out, you can reapply; however, the amount and length of payments will vary by state.
- This additional benefit would account as income, which could affect eligibility for means-test programs, except for Medicaid and CHIP (Children's Health Insurance Program).
- All 50 states have waived the one-week waiting period, but the claims process may be slowed down by recent inundation of claims.

RETIREMENT ACCOUNTS

COVID-19 Stimulus Package: Retirement Accounts

What it does:

- Extends 2019 IRA and Roth IRA contribution deadline until July 15th, 2020.
- Waives the required minimum distribution (RMD) from any individual retirement accounts or workplace retirement savings, such as 401(k), for the calendar year 2020.
 - » This change would not affect old-fashioned pensions.
 - » For 2019 RMDs not yet taken, this waiver also applies.
 - » RMD waiver also applies to IRA owners who turned 70 ½ in 2019.
- If you need to take money out of your IRA or workplace retirement account early, you could withdraw up to \$100,000 this year without the usual 10 percent penalty, as long as it's because of the outbreak.
 - » You qualify if you tested positive, a spouse or dependent tested positive, or you experienced a variety of other negative economic consequences related to the pandemic. Employers could allow workers to self-certify that they are qualified to pull money from a workplace retirement account.
- You can borrow up to twice the usual amount from your 401(k) or other workplace retirement plan.
 - » For 180 days after the bill passes, with certification that it's due to coronavirus, you can take out a loan of up to \$100,000.
 - » The rule that you can't take out more than half your balance has been suspended.
 - » If you already have a loan and were supposed to finish repaying it before December 31, 2020, you'd get an extra year.

For more information, Financial Planning Magazine has spelled out [how the COVID-19 stimulus package benefits retirees](#).

MORTGAGES

Federal Housing Finance Agency Forbearance

Who is eligible:

- Borrowers whose mortgages are owned by Fannie Mae or Freddie Mac.
- Borrowers can find out who owns their mortgage [here](#).

What it does:

- Allows mortgage payments to be suspended for up to 12 months due to hardship caused by coronavirus.
- Allows landlords whose rental home mortgages are owned by Fannie Mae or Freddie Mac to suspend payments, on the condition that they do not evict tenants after pausing mortgage.

Federal Nationwide Eviction and Foreclosure Moratorium

Who is eligible:

- Borrowers whose mortgages are owned by Fannie Mae or Freddie Mac.
- Borrowers whose mortgages are backed by the FHA (Federal Housing Administration).
- Borrowers whose mortgages are backed by the Department of Housing and Urban Development (HUD), Department of Agriculture (USDA direct and guaranteed loans) or Department of Veterans Affairs (VA loans).

What it does

- Prohibits evictions and foreclosures for 60 days, beginning retroactively on March 18th, 2020.
- This includes foreclosures that are already in progress.
- Gives borrowers the right to ask for an initial forbearance of up to 180 days if they are experiencing financial hardship due to coronavirus. An additional 180 day extension is available if needed. Interest still accrues, but fees and penalties are waived.

**NOTE: Despite the federal promise of extended relief, many lenders are proceeding with the shorter 90-day forbearance.*

If you need guidance on your mortgage or housing, [contact a HUD-approved housing counselor](#).

RENT

COVID-19 Stimulus Package: Eviction Moratorium

Who is eligible:

- Renters whose landlords have mortgages owned or backed by Fannie Mae, Freddie Mac, or the FHA.

What it does:

- Prohibits evictions.
- Prevents landlords from charging fees or penalties for nonpayment of rent.
- Effective through the end of July.

**The challenge for renters is figuring out whether their landlord has such a mortgage.*

Resources for Renters

Justshelter.org

Using the Just Shelter [search-by-state](#) function, you can find local organizations that can provide advice to renters in distress.

The Eviction Lab

The Eviction Lab provides a [state-by-state table](#) that details what different municipalities, states and the federal government have done to protect renters.

Newsweek

Newsweek shares [a list of cities nationwide who have announced moratorium on evictions for renters.](#)

STUDENT LOANS

COVID-19 Stimulus Package: Student Loan Forbearance

Who is eligible:

- Anyone with a federal student loan.

What it does:

- Automatically suspends payments on federal loans effective starting April 2020 and ending September 2020.
- Automatically waives interest on federal loans effective retroactively on March 13th.

What it does not do:

- Does not apply to private loans.
- Does not lower your monthly payment after the payment suspension is lifted.
- Does not wipe away your student loan debt.

**If you struggle with your student loans payments, whether federal or private, reach out to your loan provider to discuss your options.*

CONSUMER DEBT

If you can't make your payments:

- Contact your lenders. Many lenders have announced proactive measures to help borrowers impacted by COVID-19, which may include forbearance, deferment, loan extensions, interest rate reductions or suspension, waiving late fees, not reporting late payments to credit reporting agencies, payment suspension, add flexible repayment options.
- When contacting your lenders, be prepared to explain: your situation, how much you can afford to pay, and when you're likely to be able to restart regular payments.
- Always get confirmation of any agreements in writing.

TAXES

State tax filing:

- Many states have implemented tax filing relief or revised due dates in response to COVID-19.
- [This site breaks down these tax relief policies by state.](#)
- [This site provides a list of all 50 states official tax agency sites.](#)

Federal tax filing:

- The federal government extended the tax filing deadline until July 15th, 2020 in response to COVID-19 and the potential financial impact it will have on Americans.
- This extension is free of interest and penalty.
- All taxpayers and businesses are eligible.