

# Coronavirus Aid, Relief & Economic Security (CARES) Act



## ***Benefits for Individuals***

On March 27<sup>th</sup>, 2020 the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law to provide relief to those impacted by the novel coronavirus (COVID-19). Please see the highlights below on how these benefits impact the individual taxpayer:

### **Direct Payments for Taxpayers**

#### ***Criteria:***

- \$1,200 per adult to individual filers earning less than \$75,000 per year; \$500 per child.
- \$1,200 per adult to joint filers earning less than \$150,000 per year; \$500 per child.
- Lesser amounts provided to individual filers earning more than \$75,000 and less than \$99,000 per year; and joint filers earning more than \$150,000 and less than \$198,000 per year.

#### ***Other Details:***

- Tax Credits will be paid out via physical check or direct deposit.
- For those who didn't file in 2019, the payments will be calculated off your 2018 adjusted gross income.
- No action is needed for qualified individuals to receive this benefit.

To calculate your benefit, here is a great resource provided by Forbes: [Stimulus Check Calculator](#)

### **Retirement Savings**

#### ***Required Minimum Distributions (RMDs) have been suspended for 2020.***

- Individuals taking RMDs in 2020 may reconsider taking them if they have other liquid resources to meet their cash flow needs. Doing this can potentially reduce one's income tax liability for calendar year 2020.

#### ***Penalty-free withdrawals from your retirement plan.***

- If you are younger than 59 ½ and being directly impacted by the COVID-19, you will not be subject to the early withdrawal penalty of 10%.

#### ***Retirement plan loan amount is doubled.***

- Loan limits from retirement plans have been increased from \$50,000 to \$100,000.

***Some of these retirement benefits may not be the best course of action for your personal financial situation and it is recommended to contact your financial advisor or tax professional for guidance before taking action.***





## **Mortgage Assistance**

### **Criteria:**

- For those experiencing hardship related to COVID-19, you will be allowed up to 180 days of forbearance on your federally backed mortgage loan.

### **Other Details:**

- No charged late fees or reporting to credit bureaus.
- Foreclosures & evictions will be suspended for at least 60 days.
- In order to request forbearance, you will need to submit a request to your mortgage servicer.
- If you do not have a federally backed mortgage, contact your mortgage servicer or state/local government offices to find out what options may be available.

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## **Unemployment Assistance**

### ***As part of the relief bill, benefits have been expanded:***

- Eligibility expanded to self-employed, nonprofit employees, & independent contractors/gig economy workers.
- Benefit amount increased by \$600/week.
- Duration extended an additional 13 weeks beyond the current 26-week maximum.

### **Other Details:**

- In order to apply, contact your state unemployment office directly.

For more information, please visit: [U.S. Department of Labor](https://www.dhs.gov/uscis)

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## **Student Loan Assistance**

### **Criteria:**

- All payments for federal student loans have been deferred through September 30<sup>th</sup>, 2020.

For more information, please contact your student loan servicers. The top 3 servicers are:

- [NAVIENT](#)
- [MOHELA](#)
- [NELNET](#)

