

SUMMARY OF COVID-19 RESPONSE & RESOURCES

Important Information for FOC Coaches to
Know

April 13, 2020

LSC

LISC has compiled this basic overview of COVID-19 resources, responses, and policy changes contained in federal recovery legislation, as a resource for FOC financial, employment, and benefits access coaches seeking to help clients understand and navigate existing and new assistance available.

Many of the policies summarized here are contained in the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on March 27, 2020.

Note that this reflects LISC's best understanding of basic policies as of the date cited on the cover slide; we know that COVID-19 responses are rapidly-evolving and that implementation may vary significantly at the state and local levels. In many cases, government agency guidance on various provisions of the CARES Act is forthcoming. It is also possible that Congress will pass additional coronavirus-related relief packages in the coming weeks or months. We will attempt to update, refine, and clarify this summary periodically as additional information and federal/state/local agency guidance becomes available.

Updates

- **4/13/2020:** updated with new information about Economic Impact Payments and IRS procedures for individuals who were not required to file a 2018 or 2019 tax return

Economic Impact Payments (a.k.a. “Stimulus Checks”)

When will payments go out & how much should someone expect to receive?

- \$1,200 payment for single individuals w/income up to \$75,000; \$2,400 payment for married filing jointly up to \$150,000
- Additional payment of \$500 for each “qualifying child”—**which will generally mean a dependent child age 16 and under** by the end of 2020*
- Payments are reduced by \$5 for every \$100 of income in excess of the above income limits and phased out completely at \$99,000/\$198,000 for single/joint filers
- IRS currently indicates that payments will go out in the next three weeks

*The stimulus legislation uses the same definition for “qualifying children” as is used for the Child Tax Credit, which only covers dependent children under 17 years old at the end of the tax year. Families with 17-18 year-old children will *not* receive a \$500 for those children, and if the children were claimed as dependents on their parents’ tax returns then they will not receive their own stimulus payments.

What do people need to do to receive their stimulus payment?

- FILED A 2018 OR 2019 TAX RETURN & USED DIRECT DEPOSIT TO RECEIVE A REFUND → No action needed; IRS will send payment based on 2018 or 2019 income
- SOCIAL SECURITY OR RAILROAD RETIREMENT BENEFICIARIES → no action needed; IRS will use information on Social Security/RRB statement
- ANYONE ELSE NOT REQUIRED TO FILE A 2018/2019 TAX RETURN AND DIDN'T FILE (e.g. no income, 2019 gross income under \$12,200/\$24,400 for married couples, only income from a non-taxable source like SSI, TANF, workers' comp, VA benefits) → use [IRS non-filers portal](#) to enter payment info in order to claim payment

Additional info on process for stimulus payments

- IRS will process stimulus payments through the end of 2020, for anyone who cannot presently access VITA or another tax preparation service (this may be especially relevant for individuals who were required to file a 2018 or 2019 tax return but haven't done so yet)
- IRS will mail letters to each recipient within 15 days of sending their economic impact payment with info on how the payment was made and how to report if the payment wasn't received
- If anyone has moved since their 2018 or 2019 tax return was filed, see [IRS guidance for updating mailing address on file](#)
- IRS is preparing a [“Get My Payment” portal](#) (to go live mid-April) for individuals to check the status of their payment and input direct deposit information if not already on file. (Beware of “phishing” scams. IRS will not phone or e-mail taxpayers to collect direct deposit info. If in doubt that a webpage is legitimate, use www.irs.gov to navigate to the direct deposit portal.)

Other important information to know

- IRS will use direct-deposit information already on file from 2018/2019 tax returns but is in the process of creating a portal on IRS.gov where people can input their direct deposit information if not already on file with the IRS.
- Note: only individuals with a Social Security Number are eligible to receive the payment (i.e. undocumented/ITIN tax filers will not receive a payment). At present, it also appears that if a citizen/legal permanent resident/SSN-holder has anyone undocumented (e.g. a spouse or dependent child with an ITIN) on their tax return, then the SSN-holder will not receive a payment either.
- The stimulus checks are *not* considered taxable income to the recipient*
- Garnishments are temporarily suspended; stimulus payments will *not* be applied to someone's past-due taxes or delinquent student loan debt (garnishment for child support arrears may still occur, pending clarification/additional info.)

*Stimulus checks are structured as a tax credit on 2020 taxes that are filed in 2021, with an "advance" on that tax credit paid now.

Other important information to know, cont'd

- Watch out for scams! See [IRS tips on avoiding emerging stimulus-payment scams](#).
- [Taxpayers on an existing Installment Agreement](#) for a federal tax balance from a prior year may suspend payments due Apr. 1-Jul. 15, 2020. (Interest will still accrue, but IRS will not place in default Installment Agreements with suspended payments).
- Reminder: the federal deadline to file and pay 2019 income taxes is extended to July 15, 2020. (Check your state tax agency for extensions on state taxes.)

Expansion of Unemployment Assistance

Historic expansion of Unemployment Assistance: examples of who's covered

In addition to workers who would originally have qualified for their state's Unemployment Insurance, the CARES Act signed into law on March 27, 2020 includes a broad federal expansion of unemployment assistance (still administered through the states) that can cover a broader range of workers whose employment has been affected by COVID-19, including (more details on following slides):

- Freelancers, “gig,” 1099 workers
- Workers who previously exhausted their maximum weeks of state UI benefits
- Workers who haven't established sufficient work history to otherwise qualify for their state UI
- Workers who've been forced to quit a job for coronavirus-related reasons (including needing to care for a children whose schools are closed due to COVID-19)
- Individuals who were scheduled to start a job but the job was suspended (or the individual cannot reach the employer) due to COVID-19

Additional federal assistance for individuals eligible for state UI

Pandemic Emergency Unemployment Compensation (PUEC)

- Additional 13 weeks of state UI benefits after claimant has exhausted their maximum weeks of state benefits ([most states provide a max. of 26 weeks.](#))
- Must be actively searching for work, but CARES Act provides for states to offer flexibility on work-search requirements in light of illness, restriction on movement/gathering, quarantine, etc.

Federal Pandemic Unemployment Compensation (FPUC)

- Additional \$600 weekly benefit payment (on top of state UI weekly amount), through July 31
- Not considered income for eligibility purposes for Medicaid or CHIP
- States can opt to pay FPUC combined with state UI payment or as a separate payment, but must pay on a weekly basis

Add'l federal assistance for individuals NOT otherwise eligible for state UI

Pandemic Unemployment Assistance (PUA)

- Benefit amount will be calculated based on federal Disaster Unemployment Assistance formula contained in the Stafford Act; min. benefit is $\frac{1}{2}$ the state's average weekly UI benefit
- Up to 39 weeks of benefits, Jan. 27, 2020-Dec. 31, 2020—benefits *can* be retroactive to Jan. 27, 2020 if cessation of work occurred prior to date of application for PUA
- Applicants must self-certify that they were fully or partially employed but now are out of work due to at least one of a list of COVID-19 related reasons (listed on following slide)

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Circumstances qualifying someone for PUA include...

- Diagnosed with COVID-19 or experiencing symptoms and seeking a diagnosis
- Household member diagnosed with COVID-19
- Caring for someone diagnosed with COVID-19
- Caring for a child or other household member who can't attend school or work because of a COVID-19 closure
- Quarantined or advised by a healthcare provider to self-quarantine
- Scheduled to start employment but job offer was rescinded or individual cannot reach the place of employment due to COVID-19
- Forced to quit their job as a direct result of COVID-19
- Place of employment is closed as a direct result of COVID-19
- Claimant has become the main breadwinner for their household as a result of COVID-19 related death of the head of the household
- “Other criteria as established by the Secretary of Labor”
- See p.3 of [USDOL's PUA Guidance](#) issued 4/5/2020 for further details on the list above

Additional eligibility criteria for PUA

- A self-employed/independent contractor who does not otherwise qualify for PUA under the criteria on the previous slide may be eligible for PUA “if he or she is unemployed, partially employed, or unable or unavailable to work because the COVID-19 public health emergency has severely limited his or her ability to continue performing his or her customary work activities, and has thereby forced the individual to suspend such activities.”
- See p. I-6 of [USDOL PUA guidance issued 4/5/2020](#) for details and an example of how this may apply

Challenges, limitations, & unknowns

- Undocumented workers do not qualify for ANY unemployment assistance
- Regular UI policies, processes, weekly benefit calculations, etc. will vary by state; consult your state's department of employment services for additional state-specific guidance or FAQs
- State UI systems are overwhelmed with an unprecedented number of claims *and* now need to understand and execute the new fed provisions
- Additional guidance forthcoming from U.S. Dept. of Labor

Other important information to know

- **Consult the website of your state unemployment agency. Some states are asking residents to temporarily refrain from submitting claims until the states can update their application systems to accommodate the CARES Act changes.**
- Experts at the National Employment Law Project are encouraging *everyone* who could potentially be eligible to apply to their state for unemployment assistance, even if they're unsure if they're eligible. (Historically, UI benefits sometimes go unclaimed because a worker believes they won't qualify; the CARES Act greatly expands eligibility.)
- States have partial UI benefits for workers still employed with their hours cut
- See detailed [NELP fact sheet on immigrant eligibility for unemployment assistance](#) (other than undocumented immigrants)

Other important information to know, cont'd

- Reminder for FOC clients and coaches: UI benefits *are* considered taxable income; recipients will need to have federal and state taxes withheld from their benefits, in order to avoid owing those taxes in 2021 when they file their 2020 tax returns
- Per [recent USDOL guidance](#) (4/4/2020), FPUC (the extra \$600 weekly payment through 7/31) is considered taxable income like regular UI. Child support obligations that are deducted from regular UI will also be deducted “in the same manner and to the same extent” from FPUC
- USDOL guidance released 4/4 reinforced that as long as the worker is eligible to receive at least \$1 in weekly underlying UI benefits, they will receive the full weekly \$600 amount of FPUC
- For multi-state regions (e.g. OH/KY, IL/IN): if a worker lives in one state but worked in another, must apply for UI in the state where they last worked, not their state of residence

Potential roles for FOCs & coaches

- Help get the word out! Social media posts, e-mail blasts, text blasts, etc. to make clients aware that they may qualify for unemployment assistance and encourage them to apply
- Navigation assistance with online unemployment compensation applications. (Due to high volume of claims, many state agencies are strongly encouraging online applications vs. telephone and only accepting applications on certain days, e.g. according to claimant last name. Many are also closed to in-person services.)
- Coaching to understand the weekly benefit amount, impact on other income supports, planning for when additional federal benefit (\$600/wk) expires July 31, etc.
- Coaching to understand work-search and documentation requirements while receiving Unemployment Assistance. (Most states require recipients to be actively searching for work and to demonstrate/report those job-search efforts in order to continue receiving benefits, often via an online system. States may have implemented waivers or other emergency rules that temporarily alter or relax work-search requirements for benefits recipients.)

Student Loans

Key student loan relief in the CARES Act

- Federal student loans automatically placed into “administrative forbearance” Mar. 13-Sept. 30, 2020
- 0% interest on federal student loans during the forbearance period
- To opt *out* of the forbearance and continue making payments, contact loan servicer
- Retroactive to Mar. 13; eligible student loan borrowers who made a payment between Mar. 13-Mar. 27 can contact their loan services to request a refund of that payment
- Borrowers on a Public Service Loan Forgiveness (PSLF) plan—suspended months through Sept. *will* count as months in which loan payments were made
- Wage garnishments for defaulted student loans suspended Mar. 13-Sept. 30, 2020*

*HR departments will receive a letter from U.S. Dept. of Ed. instructing them to cease garnishment; workers will receive a refund of any garnishment levied in error during that timeframe.

What types of loans are eligible for the admin. forbearance?

 Federal student loans (Direct, FFEL, Perkins *other than* FFEL loans owned by commercial lenders and Perkins loans owned by the educational institution)

 Private student loans (the federal government has no legal authority to compel private lenders to suspend payments). However, private lenders may have implemented their own coronavirus relief policies; these borrowers should contact their loan servicer if they're having trouble making payments

Borrowers who do not know who their servicer is or how to contact them can visit [StudentAid.gov/login](https://studentaid.gov/login) or call 1-800-4-FED-AID (1-800-433-3243; TTY for the deaf or hearing-impaired 1-800-730-8913)

See U.S. Dept. of Education [FAQs on student loan forbearance and coronavirus](#) for detailed guidance.

Paying Bills & Credit Reporting

Credit protection during COVID-19

- Federal COVID-19 response legislation does *not* automatically offer relief or protection around consumer/non-student loan debt.
- Some individual private lenders have established their own assistance policies; contact the bank/creditor for details. For reference, the American Bankers Association is keeping a [list of publicly-stated steps that banks have taken to respond to COVID-19](#).
- The CARES Act does state that if a creditor makes an accommodation to defer, forbear, modify or provide other assistance on loans, then the payments will be reported to credit reporting agencies as current.
- This will extend for either the next four months or for four months after the date that the national emergency declaration is terminated.

Additional important information

- The majority of lenders are not making payment accommodation automatically; borrowers must contact their creditor for each individual account
- The CARES Act provision that modified payments will be reported to credit bureaus as current *only* applies to accounts that were current prior to the lender approving the modification. Accounts that were delinquent prior to the payment arrangement will continue to report as late to the credit reporting bureaus.

Where to report problems with Consumer Reporting Agencies

Consumer Financial Protection Bureau (CFPB) consumer [complaint portal](#) or toll-free phone at 1-855-411-CFPB (2372) or TTY/TDD phone number at 1-855-729-CFPB (2372)

Federal Trade Commission (FTC) consumer complaint [portal](#) or FTC Consumer Response Center at 1-877-FTC-HELP (1-877-382-4357).

Information on how to contact the Attorney General for each state or territory online [here](#) or by phone at 1-844-USA-GOV1 (1-844-872-4681).

Housing

Eviction and foreclosure relief during coronavirus pandemic

- Mortgage forbearance for up to 12 months for homeowners with mortgages held by Freddie Mac or Fannie Mae. (Contact info for Freddie Mac/Fannie Mae, including [search function to determine if those entities own the mortgage.](#))
- Many private-sector mortgage lenders have implemented their own forbearance policies—homeowners should contact lender
- 120-day moratorium on filing evictions for nonpayment (and no late charges) for rental housing in [federally-assisted/covered properties](#) (which includes most federal affordable housing properties/programs)
- Eviction/foreclosure relief for non federally-backed properties will vary according to state/local policy; National Low Income Housing Coalition is compiling a list of [state and local eviction and foreclosure moratoriums](#)
- NLIHC's Disaster Recovery Housing Coalition is leading [national calls/webinars on COVID-19 and housing/homelessness](#) every Monday, 2:30pm ET
- Just Shelter map/list of state-by-state organizations [focused on housing assistance](#)

Utilities

Utility-related resources and relief policies

- No apparent blanket provisions in the CARES Act regarding utility non-payment or protection from service termination
- Running list of companies that have [signed the Federal Communications Commission’s “Keep America Connected”](#) pledge to make their internet hotspots available to the public and not terminate customers’ broadband or telephone service over the next 60 days due to nonpayment
- Re water, electric, other utilities: check with utility provider, as many providers and/or municipalities have implemented their own policies

THANK YOU
for the work you do!

**For questions or to share additional resources,
please contact your local LISC Program Officer**

www.foc-network.org