



March 31, 2021

Third Round of Coronavirus Economic Impact Payments

Congress has authorized another round of stimulus checks, called Economic Impact Payments (EIPs), in response to the coronavirus pandemic.

Who is eligible for the third round of EIPs?

The new payments are available to many, even people who do not make enough money to be required to file tax returns. Like the previous round of EIPs, people who are undocumented, lack Social Security numbers, or file with an Individual Taxpayer Identification Number (ITIN) are not eligible. People in mixed immigration status families who have Social Security numbers can receive payments. Adults who were claimed as dependents on another's taxes are eligible for this round of payments!

NOTE: Adult dependents are not eligible for the prior two stimulus payments, but they are for the third one.

How much is the third payment?

\$1,400 for each eligible individual. People whose adjusted gross income was less than \$75,000 for a single individual or \$150,000 for married filing jointly are eligible for the full payment. The payment is gradually reduced for incomes above those levels, tapering off altogether at \$80,000 for individuals and \$160,000 for couples.

Do asset and income limits apply to these payments?

No. Because these payments are like tax rebates, they "shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program or under any State or local program financed in whole or in part with Federal funds" (26 U.S. Code § 6409). This means that people with disabilities can accept these payments without putting Supplemental Security Income (SSI), Social Security, Supplemental Nutrition Assistance Program (SNAP), and other benefits at risk.

Do people have to do something to get the payment?

Only some people. The payments are being issued by the Internal Revenue Service (IRS), like a tax refund, and if a person filed taxes in 2019 or in 2020, the payment will be made automatically to the bank account or address that the IRS has on file, including payments for adult dependents. Payments will be automatic to most people on Social Security or SSI benefits—if an individual uses Direct Express, unlike before, they should get their payment directly on their Direct Express card. If an individual filled out the non-filer form in order to

receive the first payment automatically or to add their dependent children, they should be paid automatically again.

If an individual has not filed taxes for the past few years, they may need to file taxes for 2020 to claim the payment. Many low-income individuals may also be eligible for other tax credits, such as the Earned Income Tax Credit or the Child Tax Credit, even those who are not required to file a tax return. Low-income individuals can file for free online, <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>, or you can visit your local Volunteer Income Tax Assistance (VITA) site, <https://irs.treasury.gov/freetaxprep/>.

What if I did not receive the prior stimulus payments?

The IRS has finished sending out the first two rounds of EIP payments. Many people did not receive their payments or received an incomplete payment. The only way to get any missing stimulus payments is to file your 2020 taxes. As noted above, low-income individuals can file for free online, <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>, or you can visit your local Volunteer Income Tax Assistance (VITA) site, <https://irs.treasury.gov/freetaxprep/>. We encourage everyone to make a plan to file as soon as possible to ensure they get everything they are owed.

Please visit <https://www.irs.gov/coronavirus/get-my-payment> for the most up-to-date information on your economic impact payment.

What about other tax credit improvements?

You may have seen media reports about other improvements to tax credits. The American Rescue Plan also included expansions and improvements to the Earned Income Tax Credit and the Child Tax Credit. We are still waiting for information from the IRS about these changes and will provide more information when available.