

CARES Act

Key Data

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Stimulus Check Details

- * Americans with a Social Security number are eligible for up to \$1,200 per adult and \$500 for each dependent under 17.
- * Amount is reduced for individuals with over \$75,000 of income and couples with over \$150,000 by \$5 for every \$100 over the threshold.
- * Income will be based on taxes filed in 2018 or 2019 if available.
- * Also available to Social Security beneficiaries, even if they do not file taxes.

Tax Deadlines Extended

- * Federal income taxes for 2019, and 2020 Q1 and Q2 estimated payments do not have to be filed or paid until July 15. This applies to all tax entities with filing deadlines April 1–July 15.
- * Deadlines for contributing to traditional and Roth IRA and Health Savings Accounts (HSAs) also extended to July 15.
- * If you file for an extension, the extended date remains the same: October 15.
- * Applies to all taxpayers, including individuals, trusts and estates, and corporations.

Pandemic Unemployment Assistance

- * Creates a temporary program that provides payment to those not traditionally eligible for unemployment benefits (self-employed, independent contractors, those with limited work history, and others).
- * All unemployed workers may be eligible for an additional \$600 per week payment for up to four months, through July 31.
- * Additionally, it provides an additional 13 weeks of federally-funded unemployment insurance benefits beyond the normal 26 weeks through December 31, 2020.

Families First Coronavirus Response Act

- * Employers with fewer than 500 employees are required to provide employees with two weeks of paid sick leave if employees are unable to work (or telework) due to COVID-19.
- * Employers with fewer than 500 employees must provide up to 12 weeks of protected leave to employees who cannot work (or telework) due to the care of a child whose school or care-provider has closed due to the pandemic.
- * Businesses with fewer than 50 employees may seek waivers if complying with this law jeopardizes the viability of a business.
- * Eligible employers have an immediately refundable employment tax credit for the full amount of qualifying leave payments and do not have to pay Social Security taxes on the payments.
- * Self-employed individuals can claim the sick leave and tax credits as well.

Social Security and Medicare

- * All field offices are closed, but you can access most services at [socialsecurity.gov](https://www.socialsecurity.gov) or (800) 772-1213.
- * All Social Security benefits will continue to be paid.
- * Medicare telehealth benefits are expanded (copays may still apply).
- * All COVID testing and treatment is free for beneficiaries.
- * All Part D insurance plans must allow a 90-day supply of medication.
- * All Medicare Advantage and Part D plans must charge in-network fees for out-of-network doctors and pharmacies.

SCAM ALERT!

Scam artists are working overtime, attempting to sell COVID testing kits and saying Social Security payments are suspended. Be on your guard!

Retirement-Related Provisions*

- * Required minimum distributions (RMDs) from retirement accounts are suspended for 2020 (including for inherited accounts). You may be able to roll back RMDs taken out February 1 through July 15 (not for inherited accounts).
- * Distributions of up to \$100,000 from a retirement account will not incur the usual 10% penalty for owners under 59 ½. Taxes may still be owed, but can be spread over 3 years.
- * The current employer-sponsored retirement plan loan limit is doubled to \$100,000 (or 100% of the vested amount, whichever is less) and payments are deferred for the first year.

Individual Relief

- * Federal student loan payments are deferred until September 30, 2020, and interest accrual is suspended.
- * Mortgage “payment holidays” for federally held loans allow borrowers to miss up to 6 consecutive monthly payments without penalties. There is no suspension of interest and missed payments will be incorporated into loan.
- * There is a new \$300 tax credit for charitable donations for taxpayers who do not itemize, and those who do itemize may claim up to 100% of Adjusted Gross Income with charitable deductions. Contributions must be made in cash to a qualified 501(c)(3).

Small Business Relief*

- * A refundable payroll tax credit for 50% of wages paid during the crisis is available to affected employers.
- * Employers and self-employed individuals can defer payment of the employer share of the Social Security tax over the next two years.
- * Congress allocated \$359 million for loans as part of the Paycheck Protection Program. The amount spent on payroll costs in the first 24 weeks will be forgiven.
- * The amount of interest expense businesses are allowed to deduct on their tax returns is increased from 30% of taxable income to 50% for 2019 and 2020.
- * Small business may apply for loan advances of up to \$10,000 through the SBA Economic Injury Disaster Loan Emergency Advance. These advances do not need to be repaid.

*Seek guidance from a tax professional