

# **Kansas Legal Services**

A non-profit law firm and community education organization helping low and moderate income people in Kansas



[www.kansaslegalservices.org](http://www.kansaslegalservices.org)

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## **Frequently Asked Questions About the New Stimulus Package**

### **How big are the stimulus payments in the bill, and who is eligible?**

The stimulus payments will be \$1,400 for most recipients. Those who are eligible will also receive an identical payment for each of their children.

To qualify for the full \$1,400, a single person must have an adjusted gross income of \$75,000 or below. For heads of household, adjusted gross income must be \$112,500 or below, and for married couples filing jointly that number has to be \$150,000 or below.

To be eligible for a payment, a person must have a Social Security number.

### **Is there a partial payment for higher earners?**

Yes. But payments phase out quickly as adjusted gross income rises.

For single filers, the checks decrease to zero at \$80,000. For heads of household, the cutoff is \$120,000. And for joint filers, the checks stop at \$160,000.

Payments for children decrease in the same way.

### **Do college students count as eligible dependents?**

College students whom qualifying taxpayers claim as dependents are eligible. (They weren't for past payments.) The payment goes to the parent taxpayer, not the child.

### **Do older relatives who live with us count as eligible dependents?**

Good news here, too. If claimed as dependents, these relatives are also eligible this time. The payment goes to the qualifying taxpayer, not the dependent adult.

### **Which year of income determines eligibility?**

The most recent year on record at the Internal Revenue Service. If you've already filed your taxes this year, it would be 2020. If not, it would be 2019.

### **What if I receive a stimulus payment based on my 2019 tax return, but the income reported on the 2020 return that I haven't filed yet will be too high to qualify?**

You will not have to return the money.

### **What if I am newly eligible for a stimulus payment based on my 2020 income, but I haven't filed my 2020 return?**

You could try to file it quickly, in hopes of receiving your payment faster. But there's no guarantee your return will be processed quickly enough, and haste can lead to errors.

And you don't have to rush: The bill includes a provision for the Treasury Department to make supplemental payments by September. If you don't get one then, you can claim the \$1,400 when you file your 2021 taxes.

### **If I have a baby anytime in 2021 and meet the income qualifications, will I get a \$1,400 payment for the child, too?**

Any baby born in 2021 (or before) is eligible.

### **When will my payment arrive?**

During the last round of payments, the I.R.S. got the first payments out within a few days. As before, you should be able to track the status of your payment via the I.R.S.'s Get My Payment tool. Be aware that the volume of users sometimes overwhelms the site.

### **What should I do if I still haven't gotten a payment from a past round of stimulus?**

If you were in fact eligible to receive it, you can try to recover it through the so-called Recovery Rebate Credit when filing your 2020 return. Make your claim on Line 30 of Form 1040 or 1040-SR.

### **How does the stimulus bill affect unemployment payments?**

If you're already receiving unemployment benefits, payments will generally be extended for

another 25 weeks, until Sept. 6. The weekly supplemental benefit, which is provided on top of your regular benefit, will remain \$300 but run through Sept. 6.

Although unemployment benefits are taxable, the bill makes the first \$10,200 of benefits tax-free for people with incomes of less than \$150,000. This applies to 2020 only.

### **If I already filed my 2020 taxes, how do I claim that new tax break?**

It's not yet clear, but you may have to file an amended return, according to a Senate aide. The Internal Revenue Service has not issued formal guidance yet. (But here's hoping they figure out a way to make it happen automatically.)

### **How do the benefit extensions work?**

The extended payments will continue to be delivered through different federal programs, largely based on the type of work you did and for whom.

Benefits through the Pandemic Unemployment Assistance program, which covers the self-employed, gig workers, part-timers and others who are typically ineligible for regular unemployment benefits, will be available for a total of 79 weeks, up from 50, and run through Sept. 6.

And benefits through the Pandemic Emergency Unemployment Compensation program, which essentially extends benefits for people who exhaust their regular state benefits, will be available for a total of 53 weeks, up from 24, also lasting through Sept. 6.

### **What happens to the supplemental payments?**

If you qualify for any benefits, you will also receive the full \$300 supplemental payment for weeks ending after March 14 and through Sept. 6. Known as F.P.U.C., it's called the federal pandemic unemployment compensation.

The bill also extends an extra \$100 weekly payment, called the mixed-earner supplement, through Sept. 6. This payment helps people who have a mix of income from both self-employment and wages paid by other employers, because they are often stuck with a lower state-issued benefit based on their (lower) wages.

The bill also clarifies that the \$300 federal supplement will not be counted when calculating eligibility for Medicaid and the Children's Health Insurance Program. The mixed earner supplement, however, will be counted.

### **Will payments be uninterrupted?**

Experts said there may be a gap for beneficiaries in many states because it usually takes a couple of weeks for agencies to program any benefit extensions.

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## HEALTH INSURANCE

### What does the relief bill do about health insurance?

Buying insurance through the program known as COBRA becomes a lot cheaper, but only temporarily.

COBRA, for the Consolidated Omnibus Budget Reconciliation Act, generally lets someone who loses a job buy coverage via the former employer. But it's expensive: Under normal circumstances, a person may have to pay at least 102 percent of the cost of the premium.

But under the relief bill, the government would pay the entire COBRA premium from April 1 through Sept. 30 for people who have lost a job or had their hours cut.

A person who qualified for new, employer-based health insurance someplace else before Sept. 30 loses their eligibility for the no-cost coverage. And someone who left a job voluntarily is not eligible, either.

### Will the cost of health insurance I buy through an exchange be affected?

The bill lowers the cost of health insurance in many instances for people who bought their own coverage via a government exchange. And the premiums for those plans will cost no more than 8.5 percent of your modified adjusted gross income.

These changes will last through the end of 2022 and do not require people to re-enroll to access the lower prices.

*Obamacare's about to get a lot more affordable.*

### How do I sign up for health insurance?

If you don't already have health insurance but would want it if the price was right, an open enrollment period is already in effect through May 15. You can also switch plans to try to lower the price you're paying already or get more generous coverage. The Kaiser Family Foundation maintains a calculator that estimates your premiums based on your income and any available government subsidies, and it will be updated once the bill passes.

### Are there any changes to health care flexible spending accounts?

None this time, though there were some in the last stimulus bill.

### What student loan changes are included in the bill?

There is a big one for people who already have debt.

You wouldn't have to pay income taxes on forgiven debt if you qualify for loan forgiveness or

cancellation — for example, if you've been in an income-driven repayment plan for the requisite number of years, if your school defrauded you or if Congress or the president wipes away \$10,000 of debt for large numbers of people.

This will be the case for debt forgiven between Jan. 1, 2021, and the end of 2025.

### **Were paid sick and family leave provisions extended?**

The legislation extends through September tax breaks to employers who voluntarily provide their workers with paid sick and family leave if they need to take time off because of the virus. But the bill does not mandate that employers provide the leave — that requirement expired on Dec. 31, and was not renewed in the legislative package signed at the end of last year.

Under the new bill, self-employed people will also continue to receive leave-related tax breaks through September.

The paid leave provisions also cover time taken to receive a Covid-19 vaccine, or to recover from any illness or condition related to the immunization.

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**[Read about how the new stimulus package affects taxes.](#)**

**[Read about how the new stimulus bill helps people with housing.](#)**

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