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Coronavirus Stimulus Payments: When Will They Be Sent and Who Is Eligible?

How much money is it?

The plan provides \$1,200 for each adult and \$500 for each child under 17. A married couple with two children would get \$3,400. Most people will receive the money in a payment from the Internal Revenue Service soon.

Who qualifies for the stimulus payments?

The payments go to almost any adult with a Social Security number, as long as they aren't dependents of someone else. Those adults get the payments for the children in their household.

Payments start phasing out for those with income above \$75,000 in adjusted gross income for individuals, \$112,500 for heads of household (often single parents) and \$150,000 for married couples. The payments start shrinking above those levels.

For those with no children, the benefit disappears at \$99,000 for individuals and \$198,000 for married couples.

When will the money arrive?

The IRS could start issuing payments within three weeks, said Treasury Secretary Steven Mnuchin. The agency hasn't announced a schedule. It will be able to move fastest for people who have filed 2019 tax returns with direct-deposit information and significantly slower for those who will need paper checks.

The IRS will provide updated information on its website about the process but is urging people not to call yet.

How does the IRS determine whether you are getting a payment and how much you get?

The government will use 2019 tax returns to set the payment amounts and 2018 tax returns if 2019 isn't available.

People who haven't filed tax returns can still file for 2019 to make sure the government has their updated income and bank-account information, as well as 2019 information about recent births, deaths, marriages, divorces and moves. Such changes that happened after 2019 won't be reflected in the payments, however. Those with low incomes or no income can file tax returns for free using the IRS's Free File program.

The IRS also will have the ability to get information from the Social Security Administration about people who get benefits but don't typically file tax returns. So these people might not need to file tax returns to claim this payment; the IRS will provide more details about the mechanics.

What if I lose a substantial amount of income this year as opposed to 2019?

The advance payments will be determined based on 2019 income—or 2018 income if that is all that is available to IRS—and the final amount of the benefits will be determined based on 2020 income and settled on the 2020 tax return. So people who ultimately qualify for more money than they receive this year—a person whose income drops from \$100,000 to \$70,000, for example—would get the rest through a larger tax refund or smaller tax payment in early 2021.

But people who ultimately qualify for less money than they got this year—a person whose income rises from \$70,000 to \$100,000—wouldn't have to pay it back.

Besides those who make above the income threshold for the payments, is there anyone who doesn't get a payment?

You must have a Social Security number to get a payment. Also, if you are a dependent on someone else's tax return and you aren't a child, you don't get a payment. That will preclude payments for some elderly adults as well as students over age 16.

Are the payments taxable income?

No. They won't be considered as income.

What about people who owe money to the IRS for prior years?

Other IRS liabilities won't come out of the payments and even people who owe back taxes should get the full amount they qualify for.

What about child support?

The normal IRS rules for child support and tax refunds will apply, which means that refunds for people who are behind on those payments may be smaller.

Do children born in 2020 get the payment?

Parents of children born in 2020 won't get a payment for that child now. However, assuming they qualify based on their 2020 income, they will get \$500 added to their tax refund or subtracted from their income-tax bill when they file their 2020 tax returns in early 2021.