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COVID-19, the CARES Act and other federal legislation
BALL OF CONFUSION

- That’s what the world is today, yeah, yeah!
- COVID-19 has changed our world and our country. For how long, we don’t know.
- What we think we know is how the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT), and earlier federal statutes will respond to the current health crisis in the United States.
The CARES Act

• This enormous piece of legislation was signed into law in response to almost complete shut-downs of all non-essential employment and businesses in the U.S.
• The close down resulted in the lay off of millions of workers, many with disabilities.
• It is the workers with disabilities that we will focus on today
The CARES Act

• The Act continues to be a moving target, although moving slower, as federal agencies jockey positions to deliver what the Act promises to the American worker.
• Expect changes. Expect surprises.
• What we tell you today, is correct today.
Today’s Objectives

• Understand what benefits the CARES Act provides to those workers who receive SSA benefits based on disability, SSI, and many of the other benefits that may be contained in your consumer’s benefits portfolio.

• How to “un-plan” from work and prepare to return when the crisis ends.
“Un-planning from Work”

• Yes I made that up.

• In response to many benefits planners fearing that they too would be laid off due to the lack of employment activity, I said this…”All of these people need help returning to the public benefits systems and maximizing their benefits in order to survive the crisis, while at the same time preparing to return to work, hopefully at the same job in 3 to 4 months time”.

The CARES Act – Stimulus Payments (now called Economic Impact Payments)

• The Act provides for direct payments to the American people.

• An individual with adjusted gross income (AGI) income under $75,000; a couple with AGI under $150,000; or head of household with one child with AGI under $112,500, will receive $1200.

• If a couple, each will receive $1200

• A “kicker” is available for each dependent child, under the age of 17 and in school, in the amount of $500.
The Stimulus Payment

• For example, Mom and Dad, filing jointly, with 3 kids will receive a payment of $3900.
• The phase out of payments is associated with increased income and will zero out when an individual’s AGI exceeds $99,000 and for joint filers without children at $198,000.
• The Stimulus payments are not taxable.
How does the Stimulus Payment impact other benefits?

• The CARES Act states that: Notwithstanding any other provision of law, any (stimulus payment) made to any individual under this (statute) shall not be taken into account as income and shall not be taken into account as resources for a period of 12 months from receipt for any Federal, State or local program financed in whole or in part with Federal funds.
Supplemental Security Income (SSI)

- Stimulus payments will not count in the month received as income.
- The payments will not count as a resource for 12 months from the month of receipt.
- Pretty simple and favorable to SSI recipients!
- Now, how does an SSI recipient get a check?
SSI recipients and some RR retirees

- These groups of people will not have to file with the IRS **UNLESS** they have qualifying children. People with dependent children must file with the IRS in order to receive the $500 per dependent payment.
- The process should take about 15 minutes.
- All VA pensioners will have to file.
For $0 Filers w/ Dependents

In order to get the $500 per dependent payment, each dependent must:

1. be claimed on a tax return,
2. be under the age of 17 and in school,
3. must be related to you,
4. the dependent cannot provide more than 50% of his/her own support during The tax year,
5. must be a citizen, U.S National, or U.S. resident alien w/ a valid SSN, and
6. live with the filer for at least half the year.
Useful Opportunity

• Use this opportunity to get your SSI and other clients “banked”. Direct deposit information provided on the tax return will ensure that the stimulus payment is released quickly.

• Paper checks may not be issued until September of 2020.
Title II Benefits – SSDI, CDB, DWB, etc.

• There will be no impact on Title II benefits as these are insurance-based disability payments.

• While these benefits can be taxable, the Stimulus payment will not be included in any taxation determination.

• The Stimulus payment is “unearned income” and there is no resource limit in any Title II program.
Tax Filings for Title II?

• No filing is necessary as these folks are receiving a Social Security Benefit.
• Same advice if your client isn’t banked!!!
Stimulus Intercept - WARNING

Please note that Banks are taking action to intercept stimulus payments if the recipient has private student loans, overdue credit card payments or overdrawn accounts. For more information see:

https://library.nclc.org/protecting-against-creditor-seizure-stimulus-checks

Memo from NCLC – L. Saunders, J.D.
Supplemental Nutrition Assistance Program (SNAP)

• There is no expected impact on SNAP benefits due to receipt of the Stimulus payments.

• SNAP is a needs-based benefit fitting the definition of the original section of law presented.

• Stimulus check will not be income when received and not a resource for 12 months after receipt.
Housing and Urban Development (HUD)

- There is no impact on rent subsidies due to receipt of the Stimulus payment. Further, HUD does not consider resources – only income produced by resources, e.g. bank interest.
- State Housing programs that are not receiving federal funding may have set up special rules…check your State!
HUD

• Mortgage security for single family homeowners holding HUD insured loans.
• Borrowers facing financial hardship due to COVID-19 will be allowed a “forbearance” to extend, defer or reduce payments for up to six months, and must be provided with an additional 6 months relief if requested by the homeowner.
Medicaid

• All States have now accepted the 6.2% increase from the Federal Government in Federal Medical Assistance Percentage (FMAP), therefore States must agree not to terminate any Medicaid recipient who had Medicaid when the crisis began or became eligible during the crisis unless a voluntary termination is requested by the recipient.
Medicaid

- The stimulus payment will have no impact on Medicaid.
- It will not be counted as income in the month received.
- It will not be counted as a resource for 12 months after receipt.
Medicaid

• The Medicaid house has lots of rooms and the State can move recipients from one room to another as statuses change. For instance, if a recipient returns to work during the crisis a status change to 1619(b) or HWD will be allowed.

• If you’ve seen one Medicaid program you’ve seen one. All States are different. Know how yours works!
Medicare

• Stimulus payments will have no impact on Medicare.

• Medicare Savings Plans (MSPs), those programs paying some of all of the premiums associated with Parts B & D, and in some cases deductibles and co-pays, will not be impacted.

• Is there a State issue here?
Temporary Assistance for Needy Families (TANF)

• The Stimulus payment will have no impact on TANF monthly payments in the month received and will not be counted as a resource until 12 months after receipt.
Veteran’s Pension

- The Veteran’s Pension benefits is a needs-based monthly benefit paid to war time veterans whose disabilities are not service connected, are aged (over 65) and of low income.
- The Stimulus payment will have no impact on Veteran’s Pension as it will not be income in the month received and will not be counted as a resource until 12 months after receipt.
Unemployment Insurance (U/I)

• OK, this is a bit confusing…

• U/I requires a worker to meet the State’s “base period”; work for a certain length of time and earn a sufficient amount of money”

• For example, in Washington you must have worked for 680 hours in the 12-18 months before filing your claim. Know the rule in your State and what your State’s “base period” is.
Unemployment Insurance

• COVID-19 related lay-offs are not due to the fault of the worker.

• Most States pay benefits for 26 weeks and the CARES Act extended that period for another 13 weeks for a total of 39 weeks U/I eligibility. Extended benefits will end on 12/31/2020.

• The CARES Act will also add $600 per week to the amount paid by the State for the 39 week period until 07/31/2020.
Unemployment Insurance

• MUCH of the U/I system is controlled by the State. Payments are made from payroll taxes levied on employers.
• Know how the process works in your State.
• Know your State’s “base period”.
U/I and Title II

• U/I is unearned income for Title II purposes and U/I received will not impact SSDI or other Title II payments.

• However, in some States, U/I payments may be reduced due to the receipt of SSDI or another Title II payment.
U/I and SSI

- U/I is unearned income and can dramatically impact SSI cash payments.
- An SSI recipient must apply for U/I if informed of potential eligibility by SSA.
U/I & SSI during the COVID-19 Crisis

• If a worker in your State has met the base period and no other disqualifying factors a planner should look at the potential amount of U/I payable. Given the $600 Federal bump per week through 07/31/2020, the U/I recipient will see cash SSI suspended but the CARES Act will prevent Medicaid termination.
U/I & SSI during the COVID-19 Crisis

• The U/I recipient may only be available for $150 per week in your State U/I. But the additional Federal $600 will make that $750 per week.

• The choice is $783 monthly in SSI and Medicaid or $3000 a month in U/I and Medicaid.

• On 07/31/2020, SSI will still be in suspense due to unearned income and on August 1st the SSI amount can increase due to loss of unearned income.
U/I & SSI during the COVID-19 Crisis

• The SSI recipient then has $150 in unearned income; $130 will be counted and the new SSI amount will be $653.

• The $20 excluded also belongs to the recipient and Medicaid continues.
Medical Help For the Uninsured

• Money from the CARES Act will be set aside to meet the COVID-19 related medical expenses of uninsured individuals.

• Any medical provider/hospital accepting Medicare can agree to provide services to any uninsured person and will receive the Medicare rate of payment.

• However, the provider/hospital must agree not to bill the uninsured person for any remaining expenses.
What Can We Expect?

• Changes, lots of them.
• You will be made aware of all changes via fact sheets.
• Even if the fact sheet looks the same, if the date is different, the information has changed.
• We can now expect federal agencies to begin issuing instructions specific to each agency.
What Can We Expect?

• Workload increases.
• Helping clients you just got to work get unready from work.
• Re-planning for the eventual return to work.
• We can expect to persevere and succeed in helping our consumers navigate this crisis.
Post-Training Evaluation

• To obtain CRC credits for participating in this webinar, you need to go to the following link and complete the post-training quiz.

QUESTIONS?
www.ytiONLINE.org

• YTI provides on-line and on-site benefits planning training and credentialing.
• YTI – First on-line, first to require CEUs, first to offer a specific Youth course, and your premiere place to learn from practitioners who fought in the trenches.
• Take a look! Join us!