

SAVING MONEY

Your 2020 Stimulus Check: How Much? When? And Other Questions Answered

People have a lot of questions about the economic stimulus checks that will be mailed soon. We have answers.



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Uncle Sam is going to be sending you a check soon. To counter the **coronavirus-induced economic meltdown**, the Trump administration and Congressional leaders worked out a massive economic stimulus plan that will flood the U.S. economy with cash and provide relief for Americans who are taking a financial hit. Part of the plan is to send us all direct payments from the government's coffers. But there are a lot of unanswered questions about these payments. At the top of the list: How much will we all get? And when will we get it?

Fortunately, we have answers to these and other frequently asked questions about the economic stimulus checks. We also have a handy **Stimulus Check Calculator** that tells you how much money you can expect (everyone's check will be different). **Read on to get the answers you need to the questions you have.** Once you know more about the stimulus payments, you can start figuring out **how you can use the money to your advantage.**

How Many Stimulus Checks Will I Get?

You'll get just one payment. Earlier proposals required multiple checks. One plan put forth by a group of Democratic Senators even called for quarterly payments to Americans until the crisis ends. However, the signed by President Trump only authorizes a single payment.

How Much Money Will I Get?

Everyone wants to know how much money they will get. You may have heard that stimulus checks will be for \$1,200—but it's not that simple. That's just the base amount. Your check could actually be much higher or lower.

To calculate the amount of *your* check, Uncle Sam will start with that \$1,200 figure. If you're married and file a joint tax return, then both you and your spouse will get \$1,200 (for a total of \$2,400). If you have children who qualify for the

child tax credit (they must be 16 years old or younger), you get an additional \$500 for each child. So, for example, a married couple with two children can get up to \$3,400.

Now the bad news. Stimulus payment amounts will be phased-out for people at certain income levels. Your check will be gradually reduced to zero if you're single, married filing a separate tax return, or a qualifying widow(er) with an adjusted gross income (AGI) above \$75,000. If you're married and file a joint tax return, the amount of your stimulus check will drop if your AGI exceeds \$150,000. If you claim the head-of-household filing status on your tax return, your payment will be reduced if your AGI tops \$112,500.

Also note that the IRS, which will issue the payments, will look at your 2019 tax return for your filing status, AGI, and information about your children. If you haven't yet filed your 2019 return (**now due July 15**), the IRS will go to your 2018 return for the necessary information.

Again, we have an easy-to-use **Stimulus Check Calculator** to help you figure out the estimated amount of your check. **Check it out!**

What If I Didn't File a Tax Return in 2018 or 2019?

Some people didn't file a tax return for 2018 or 2019 because their income didn't reach the filing requirement threshold—especially since the standard deduction was nearly doubled starting with the 2018 tax year. If the IRS doesn't have a 2018 or 2019 tax return with your name on it, it can pull information from a 2019 Form SSA-1099, *Social Security Benefit Statement*, or Form RRB-1099, *Social Security Equivalent Benefit Statement*, to calculate your stimulus check amount.

But what if you didn't receive Social Security or Railroad Retirement benefits in 2019? We don't know for sure yet what will happen in that situation (i.e., no 2018 or 2019 tax return, and no SSA-1099 or Form RRB-1099). However, at this point, there is a chance you might not get a stimulus check. If you're in this position, you might want to file a 2019 tax return quickly. You can file a return even if you're not getting a refund and you don't owe any tax. (For the 2008 stimulus checks, the IRS said to file a return showing just \$1 of income and at least \$1 of AGI even if you actually had no AGI.) If you get your return in before the IRS starts processing your stimulus payment, then you should get a check.

However, even if you don't get a check now, you won't lose out on the money—you'll just have to wait until next year to get it. The way the law is written, the checks that will be sent now are actually just advanced payments of a new refundable tax credit for the 2020 tax year. So, if you don't get a stimulus payment in 2020, you can claim it next year as a refund or reduction of the tax you owe if you file a 2020 tax return by April 15, 2021.

When Will I Get My Check?

President Trump has said that he wants checks to be delivered within a couple of weeks. That may be a bit too ambitious, though. The law instructs the IRS to send payments "as rapidly as possible." But remember, the IRS is short-staffed right now thanks to the coronavirus pandemic. Back in 2008, when similar stimulus payments were issued, it took a couple of months for a fully-staff IRS to get checks in the mail.

One advantage the IRS has now, though, is the fact that the vast majority of taxpayers have refunds directly deposited into their bank accounts now. That means the tax agency already has bank account numbers and bank routing numbers for millions of Americans. With that information in hand, the IRS can make electronic payments to a lot of people. This method of payment takes far less time than printing and mailing a paper check. The IRS will attempt to make payments electronically for anyone who authorized the direct deposit of a refund into their bank account at any point after 2017. If a direct deposit is rejected (e.g., if the bank account information is incorrect), the IRS will receive a rejection notice. At that point, the payment will be converted to a paper check and mailed to you.

Will the Money I Get Now Be Taxed Later?

No. As we mentioned earlier, the check you receive is really just an advanced payment of a tax credit for the 2020 tax year. As such, it won't be included in your taxable income.

What If I Had a Child in 2019, But I Haven't Filed My 2019 Return Yet?

If you had a baby last year, but you haven't filed your 2019 return, you might be worried about losing \$500 because the IRS doesn't know about your new bundle of joy. That actually could be a problem—you won't get that extra \$500 if you don't file before the IRS starts processing your payment. However, if you have a child now that isn't reflected on your 2018 return, you'll be able to account for

him or her when you file your 2020 return next year (you'll get an extra \$500 credit then). So, while you won't get that extra \$500 in your stimulus check now, you'll still get it later.

In fact, if your stimulus check is less than what you're entitled to receive for any reason, you can make up the difference with an extra tax credit on your 2020 return.

What If My Child Turned 17 in 2019, But I Haven't Filed My 2019 Return Yet?

You only get an additional \$500 for a child who qualifies for the child tax credit. That means your son or daughter can't be older than 16. However, what if your child turned 17 in 2019, but you haven't filed your 2019 tax return yet (which would show the child's current age)? Are you going to get an extra \$500 based on your child's age as reflected on your 2018 return? If so, will you get to keep that additional amount?

Those are still open questions. On the one hand, the IRS will know your child's current age based on your 2018 tax return (they can just add a year), so they might go ahead and adjust your stimulus check accordingly. On the other hand, if a stimulus check was larger than it should have been back in 2008, there was no mechanism for paying back the extra money. We don't know yet which way the IRS will go this time around.

We'll keep an eye out for IRS guidance addressing situations where a stimulus check is more than it should be.

Will Young Adults Who Live with Their Parents Get a Check?

Even if they have a job or are a student, young adults who still live at home will not get a check *if* they can be claimed as a dependent on anyone else's tax return (whether or not they are actually claimed as a dependent on someone's return). The IRS will look at your 2019 or 2018 tax return to determine if someone could claim you as a dependent.

Nonresident aliens, trusts, and estate won't get stimulus checks, either.

Do I Have to Have a Social Security Number to Get a Check?

Yes, you must have a Social Security number to receive an economic stimulus check. Your spouse and any child you're receiving \$500 for must also have a social security number. An individual taxpayer identification number (ITIN) is not good enough.

There are two exceptions to this rule. First, an adopted child can have an adoption taxpayer identification number (ATIN) instead of a Social Security number. Second, for members of the U.S. armed forces, only one spouse needs to have a Social Security number.

Will the IRS Take My Check If I Owe Back Taxes?

Stimulus money is generally not subject to reduction or offset to pay back taxes or other debts owed to the federal government.

What If My Check Doesn't Arrive?

Within 15 days of mailing your check (or directly depositing it into your bank account), you will receive a notice in the mail indicating the method of payment, the amount of payment, and an IRS phone number to call if you didn't receive your payment.

Both the payment (paper check) and notice will be mailed to your last known address the IRS has on file. If you have recently moved, you should file a **Form 8822** with the IRS and a change of address notice with the U.S. Postal Service. This will ensure correspondence and payments from the IRS will be sent to your new address.

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