INDIVUDAL RELIEF

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act, which provides relief to taxpayers affected by the novel coronavirus (COVID-19).

Recovery Rebates

The rebate is a direct payment intended to assist low and middle-income individuals and families. The purpose of these rebates is to assist you in affording what you need during this public health crisis. The rebate you receive will not have to be paid back.

These rebates are structured as tax credits automatically advanced to households in 2020 *if you filed a 2019 income tax return* and would be received as a direct deposit or check by mail. If your 2019 return has not been filed, the rebate would be advanced based on your 2018 return information.

The CARES Act provides an "eligible individual" an advance tax rebate in the amounts below plus $500 per qualifying child. The rebate amounts are advance refunds of credits against tax year 2020 taxes and is phased out by $5 for every $100 in excess of the threshold amount indicated below. This threshold amount is based upon 2018 adjusted gross income (AGI); unless a 2019 return has already been filed.

	Rebate Amount	Phase Out Threshold $	Complete Phase Out
Single	$1,200	$75,000	$99,000
Head of Household	$1,200	$112,500	$136,500
Married Filing Jointly	$2,400	$150,000	$198,000
Child*	$500	See above	See above

Who is Excluded?

Individuals that are excluded from receiving a rebate:

- Nonresident aliens
- Individuals who can be claimed as a dependent by another taxpayer
- An estate or trust

What are the Requirements?

- Individuals must have SSN
- Children must also SSN

How Will I get the Payment?

This bill requires the Internal Revenue Service (IRS) to deliver your rebate quickly in the form of advance payments. If you have filed a federal income tax return in 2018 or 2019, payment processing will be based on payment or address information already on file with the IRS. Electronic payments will be automatic to an account the payee authorized 2018 or later.

Rebates will be delivered automatically by the IRS to most U.S. citizens who file individual federal income tax returns. If available, electronic deposit will be used in place of mailing a physical check.

If you have recently moved, the IRS will determine the payment system for those entitled to the rebate.

Will the Rebate Have an Affect on My Eligibility in Income Programs like SNAP?

NO. The rebate will not affect your eligibility.

Retirement Plan

Qualified employer plans may permit individuals who elect to receive a “coronavirus-related distribution” up to $100,000 without being subject to the 10% tax penalty. The following conditions apply:

1. The distribution must be made during tax year 2020;
2. The distribution is payable to:
    1. an individual,
    2. spouse of an individual who was diagnosed with COVID 19 (a CDC-approved test), OR
    3. an individual who experiences adverse financial consequences as a result of quarantine, business closure, layoff, or reduced work hours;
3. The amount of withdrawal is subject to tax over a three-year period.

In addition, individuals may re-contribute the withdrawal amounts to a qualified retirement plan without regard to the annual contribution limitations.

Charitable Contributions

Below are some key temporary changes to the charitable contribution deduction for tax year 2020:

1. An eligible individual (anyone who is not electing to itemize) can take a qualified charitable deduction up to $300 against their AGI in 2020.
2. Individuals can claim an unlimited itemized cash charitable contribution deduction (this was previously subject to 50% of AGI).
3. Temporary increase from a 15% to 25% of AGI limitation on contribution of food inventory.

KEY REMINDERS:

- File for unemployment as soon as possible, if you are laid-off from work
- Cash is KING. Protect cash flow:
    - Make minimum payment on credit cards, if needed
    - Ask for rent deferral, if you are impacted
    - Ask for mortgage delay, if you are impacted

Can I Apply Unemployment?

- You have temporarily or permanently lost your job or had your hours reduced because of COVID-19.
- A healthcare professional or health authority recommended or ordered you to avoid contact with others due to COVID-19.
- You have been ordered not to come to their workplace due to an outbreak of COVID-19.
- You have received notification from a school district, daycare, or other childcare provider that either classes are canceled or your usual childcare is unavailable, as long as you made a reasonable effort to find other childcare and requested time off or other accommodation from your employer and no reasonable accommodation was available.
- If you are working but your hours have been reduced, you may be eligible for unemployment benefits, you should apply. When you request a payment each week you will report the amount of wages you are being

paid. We will calculate your payment. If you are working full-time (or being paid your full-time wages by your employer to stay home) you are not considered unemployed and would not be eligible for benefits. If your situation changes, apply for benefits and we will notify you if you are eligible.

- There is no more “waiting week” for people affected with COVID-19.
- Click Here to view the Unemployment Insurance benefit provided by your local state.

SMALL BUSINESS ASSISTANCE

The Small Business Administration (SBA) administers several types of programs to support small businesses, including

- Direct disaster loan programs for businesses, homeowners, and renters to assist their recovery from natural disasters;
- Loan guaranty and venture capital programs to enhance small business access to capital;
- Small business management and technical assistance training programs to assist business formation and expansion; and
- Contracting programs to increase small business opportunities in federal contracting.

Umar Amma Help Desk Advice (Urdu and English):

Email: Rizwan Rehman, asst3.national.ua@ahmadiyya.us

State your question clearly in the body of the email. If necessary, leave a phone number.