# I NEED MY MONEY FAST!

ISSUE DATE: 4.16.20 / UPDATED 4.6.21

2021 Stimulus Payments What You Need to Know



THIS TIP SHEET IS INTENDED TO HELP YOUTH WHO HAD CHILD WELFARE INVOLVEMENT UNDERSTAND HOW TO OBTAIN A STIMULUS PAYMENT. WE CANNOT HELP YOU OBTAIN IT OR GIVE YOU ADVICE ON YOUR SPECIFIC SITUATION



#### 1. WHAT IS HAPPENING WITH ECONOMIC STIMULUS PAYMENTS IN 2021?

The federal government is sending **MOST** adults a stimulus payment.People who earn less than \$75,000 will get \$1,400, plus \$1,400 for each of their children. Unfortunately, not everyone will get the money.

#### 2. AM I ELIGIBLE FOR THE STIMULUS PAYMENT?

If you are over 18 and can, or did file a tax return, then you are probably eligible.

#### **BUT YOU WILL NOT BE ELIGIBLE IF:**

- Someone else claimed you as a dependent on their taxes.
- > You are not a US Citizen and do not have a Social Security Number.

#### "DEPENDENT"

This means different things in child welfare than it does for taxes. For tax purposes, a child or an adult can be claimed as a "dependent" by a person (usually a parent or relative) who supported them in the tax year. People claim dependents to get more money back in their taxes.

#### HOW DO I KNOW WHETHER SOMEONE CLAIMED ME ON THEIR TAXES?

The only way to know is to ask them, If that is not possible, you should file a 2020 tax return. If you are eligible you will get the payment.

#### I AM AN ADULT, HOW CAN SOMEONE CLAIM ME AS A DEPENDENT ON THEIR TAXES?

If you lived in their home more than six months and they provided more than half of your living costs, they might be able to claim you. There are additional tax rules that apply.

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### 3. WHAT DO I HAVE TO DO TO GET A STIMULUS PAYMENT?

#### IF YOU GOT TWO ECONOMIC IMPACT (STIMULUS) PAYMENTS IN 2020 YOU SHOULD RECEIVE THE NEW FUNDS WITHOUT HAVING TO TAKE ANY ADDITIONAL ACTION.

Use the IRS's **GET MY PAYMENT LINK** to find out how your 2021 payment was sent. If you are not sure whether you got two payments in 2020, you can **CREATE AN ACCOUNT** on the IRS website to find out.

#### "FILING TAXES"

A tax return is the form you file with the IRS that reports how much money you earned and calculates how much money you will receive back or what you might owe.

#### "TAX YEAR"

A calendar year (from January to December) is the tax year. You file your 2020 taxes in 2021.

#### IF YOU DID NOT GET BOTH ECONOMIC IMPACT (STIMULUS) PAYMENTS IN 2020, BUT WERE ELIGIBLE FOR THEM, then you may be able to get that money as a **RECOVERY REBATE** <u>CREDIT</u>.

You must file a 2020 tax return in order to get that money – even if you didn't make enough money to be required to file a tax return. Our **TAX TIP SHEET** will give you more information on filing your tax return.

You will need to know how much you received in 2020, which requires you to **CREATE AN ACCOUNT** on the IRS website.

If you are entitled to a Recovery Rebate, and you owe back taxes, the IRS can keep the amount that you owe and give you the difference.

#### IF YOU WERE NOT ELIGIBLE FOR AN ECONOMIC IMPACT (STIMULUS) PAYMENT IN 2020 BUT THINK YOU SHOULD RECEIVE PAYMENT IN 2021 YOU MUST FILE A <u>2020 TAX RETURN</u>.

#### 4. How CAN | CHECK THE STATUS OF MY MONEY?

Click **HERE** to check on the status of your money. The IRS will send you notice after it directly deposits or mails your stimulus payment.

#### 5. WHAT CAN J USE THIS MONEY FOR?

You can use the money for any purpose. The government will not ask you what you used it for.

#### 6. WHAT IF I ALREADY RECEIVE SSI, UNEMPLOYMENT, PESS OR OTHER MONEY?

The fact that you receive money from other sources will not affect your right to get the stimulus payment.





# 7. WHAT HAPPENS IF I OWE THE IRS MONEY FOR BACK TAXES? OR I OWE MONEY ON FEDERAL STUDENT LOANS?

Nothing. Your stimulus payment will not be reduced if you owe for your taxes or federal student loans. But if you did not receive both Stimulus payments in 2020 and apply for a Recovery Rebate, that money can be taken by the IRS to pay off what you owe in back taxes.

#### 8. WILL I HAVE TO PAY ANY OF THE MONEY BACK?

**NO.** The money is for you to spend and you will not have to pay it back and it will not reduce the refund you get next year!

#### 9. WILL I HAVE TO PAY TAXES ON THE MONEY THAT I GET?

No. This money is not taxable income. It does not get added to the amount of money you will earn and have to pay taxes on when you file your taxes in 2022.

# 10. WILL THE PAYMENT AFFECT MY SNAP BENEFITS OR BENEFITS THAT MAKE ME REPORT MY INCOME?

No. The stimulus payment will not count as income for SNAP, TANF, WIC, or ACA premium credits.

# 11. WHAT'S THE DEADLINE FOR FILING TO GET THE STIMULUS CHECK IF I HAVEN'T FILED 2019 OR 2020 TAXES?

There is no deadline. But you probably won't get your stimulus money until you file your taxes.

#### **12. WHAT HAPPENS IF I OWE BACK CHILD SUPPORT?**

The second (2020) and third (2021) stimulus payments cannot be taken to pay back child support.

**NOTICE:** This publication is intended for use as a general reference source and is not meant to provide legal opinions or advice, and is not a substitute for the advice of counsel. We have used our best efforts in preparing the material in this publication, but we do not warrant that it is complete or accurate and do not assume, and hereby disclaim, any liability to any person for any loss or damage caused by errors or omissions herein.





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### **EXAMPLES**

### EXTENDED FOSTER CARE

18 year-old Anna is in Extended Foster Care living in an apartment while she finishes high school. She has never worked or filed a tax return. Anna IS ELIGIBLE for a payment, BUT SHE WILL HAVE TO FILE A TAX RETURN TO GET IT. 20 year-old Pat lives on PESS and Pell Grants. Pat has never filed an income tax form. Pat IS ELIGIBLE for a payment, BUT HE WILL HAVE TO FILE A TAX RETURN TO GET IT.

PESS

### YOUTH LIVING WITH FAMILY

19 year-old Tom lives with his Aunt. He works and goes to school. He contributes to household expenses and his Aunt does not claim him as a dependent on her taxes. Tom filed a 2019 tax return. Tom IS ELIGIBLE for a payment and DOES NOT HAVE TO DO ANYTHING TO GET IT.

20 year-old Marco is in college and has never worked. He lives at home with his adoptive parents who claim his as a dependent on their taxes. Marco **IS NOT ELIGIBLE** for a payment. 19 year-old Nicole lives with her Aunt. Nicole has never filed an income tax form. Her Aunt claimed Nicole as a dependent on her 2020 taxes. Nicole **IS NOT ELIGIBLE** for a payment.

20 year-old Maya is awaiting her Special Immigrant Juvenile visa that she applied for 3 years ago. She has a work permit and Social Security number. Maya **IS ELIGIBLE** for a payment.

### IMMIGRANT YOUTH

19 year-old Javier is awaiting his immigration hearing. He does not have a Social Security number. Javier **IS NOT ELIGIBLE** for a payment. 20 year-old Franco is an immigrant and does not have legal status. He has a taxpayer ID number and has taxes withheld from his pay. Franco **IS NOT ELIGIBLE** for a payment.

### OTHER EXAMPLES

18 year-old Mike lived with his father for more than six months in 2019 and was claimed on his father's 2019 taxes. Mike moved out in early 2020 and is now living on his own and will file his own tax return. Mike IS ELIGIBLE for a payment, BUT HE WILL HAVE TO FILE A TAX RETURN TO GET IT.

22 year-old Clarisse lives with her 18 month-old daughter. In 2020 her daughter lived with a relative for 9 months. That relative declared Clarisse's daughter as a dependent on his 2020 taxes. **CLARISE IS ELIGIBLE** for a payment, **BUT WILL HAVE TO A FILE A TAX RETURN TO GET THE PAYMENT.** While she cannot claim her daughter for 2020, she can claim her daughter and get the \$500 payment when she files her 2021 taxes next year.



