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New Hampshire Fiscal Policy Institute Blog

CARES Act Economic Impact Payments May Not Automatically Reach 9,900 Eligible Granite Staters

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The [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) passed in March was the largest piece of legislation aimed at providing relief and support in response to the COVID-19 crisis. A key type of aid being distributed is [direct cash payments](#), officially called Economic Impact Payments (EIPs). These payments are sent by the U.S. Internal Revenue Service to eligible individuals and families who earned incomes within specified thresholds, based on their last tax filing. These payments are designed to directly support those who may be facing additional financial burdens as a result of the COVID-19 crisis, while also potentially stimulating local economies. The program makes several groups of individuals ineligible for this aid, and may result in thousands of Granite Staters with very low incomes not receiving their EIP without additional outreach and support.

Eligibility for and Disbursement of Economic Impact Payments

[Eligibility](#) for EIPs is extended to certain groups of individuals based on their income as reported on their 2018 or 2019 federal income taxes. The full \$1,200 payment is available to individuals earning less than \$75,000 per year, or \$112,500 per year for those who are a head of a household; a \$2,400 payment is available to married couples earning less than \$150,000. Payments begin to phase out, and eventually disappear, as income exceeds these thresholds. Additionally, for each dependent child age 16 and under, an additional \$500 in aid will be distributed.

Several groups of individuals are [ineligible](#) for these benefits. Couples filing jointly where one individual does not have a Social Security Number are fully ineligible, even if they are income eligible. Children who are 17 years old and adults who are claimed as dependents, such as college students or certain individuals with disabilities, are fully ineligible for their own payment no matter their income, and are not counted for the additional \$500 that would have been provided to the person or couple who claims them.

Individuals and couples are deemed eligible for EIPs based on the information provided on their 2018 and 2019 federal income tax returns, and payments are disbursed using direct deposit or by mail based on the information on file with the U.S. Internal Revenue Service. For individuals with very low incomes, who normally are not required to file federal tax returns, additional steps need to be taken to help ensure that all individuals who are eligible receive their EIP.

Automatic Disbursement in Place for Certain Non-Filers

Despite utilizing the U.S. Internal Revenue Service and the information provided on 2018 or 2019 federal income tax returns to calculate benefit eligibility and distribute payments, certain non-filers will receive their EIP without issue. For example, retirees who receive Social Security benefits and who are not required file taxes due their limited income will not need to provide additional information to the Internal Revenue Service, as it is working directly with the Social Security Administration to automatically deliver EIPs.

Additional Action Needed to Help Ensure Other Non-Filers Receive Payments

Individuals not receiving federal retirement benefits and who have not filed federal income taxes in 2018 or 2019 will not automatically receive their EIP even if they are enrolled in other social assistance programs, such as Medicaid or the Supplemental Nutritional Assistance Program (SNAP). Individuals in this group will have until October 15 to submit their information through the [Internal Revenue Service "non-filer" tool](#) to receive their payment.

Those who are not required to file federal income taxes either have no income, income of less than \$12,200 per year for individuals, or income of less than \$24,400 for married couples in 2019. [Analysis](#) from the Center on Budget and Policy Priorities estimates that about 12 million individuals nationally did not file 2018 or 2019 federal income taxes because their incomes did not require it, and resultingly will not automatically receive their benefit. Of these 12 million Americans, about 9 million were enrolled in the SNAP program, meaning that states already have relevant information about these individuals and families; these states could notify SNAP-enrolled individuals and help them navigate the ["non-filer" tool](#).

In New Hampshire, the [analysis](#) shows that about 4,400 households, comprising of 9,900 Granite Staters and including 4,900 individuals under 17 years old, are estimated to not automatically receive the EIP they are eligible to receive while also being enrolled in SNAP. The total value of the EIPs for these 9,900 Granite Staters is about \$8 million. These individuals may be the easiest to notify and assist regarding their eligibility and

availability of the [“non-filer” tool](#) to submit a payment application. The New Hampshire Department of Health and Human Services, along with community-based organizations, could assist with outreach to ensure that individuals enrolled in social programs such as SNAP and Medicaid, who have low incomes and are more likely to face additional steps to receive their EIPs, are notified of the [“non-filer” tool](#). Helping to ensure all eligible Granite Staters receive their EIPs would provide necessary assistance to those with low or no incomes and [provide an economic boost](#) to support local economies during this crisis.

- *Michael Polizzotti, Policy Analyst*