

We wanted to follow up our e-mail blast from last Monday to address the questions that we have been asked most frequently and to provide more detailed information now that it is available.

If you have already filed your 2019 tax return and requested that we have your 2019 balance due and/or your 2020 estimates automatically withdrawn from your bank account, the government will still be taking those payments on April 15th. If you want to wait until July 15th to make those payments, please follow the instructions on the other document we have attached.

2020 Federal Coronavirus Aid, Relief and Economic Security Act (CARES Act):

<https://taxfoundation.org/cares-act-senate-coronavirus-bill-economic-relief-plan/>

- As many of you now know, the current stimulus package which has been signed is set to have payments of \$1,200 sent to each adult and \$500 for each child (16 years of age or younger) for those who qualify.
 - Single filers with adjusted gross income (AGI) of up to \$75,000 qualify for the full \$1,200 payment. This amount is reduced by \$5 for every hundred dollars over \$75,000, so it gets fully phased out when your AGI reaches \$99,000.
 - For married filing jointly taxpayers, the full payment is allowed for an AGI of up to \$150,000 and completely phases out at \$198,000 of AGI.
 - For head of household filers, the full payment is allowed for an AGI of up to \$112,500, and completely phases out at \$136,500 of AGI.

If your 2019 tax return has been filed, your 2019 AGI will be used. If your 2019 tax return has not yet been filed, your 2018 AGI will be used. Below is a link to assist you in calculating your stimulus payment -

https://www.kiplinger.com/tool/taxes/T023-S001-stimulus-check-calculator-2020/index.php?utm_source=SYN-yahoo&utm_medium=referral&rid=SYN-yahoo

If you do not qualify for the stimulus payment based on your 2019 AGI, you could qualify and receive it next year once your 2020 tax return is filed.

**If you have not filed a tax return for 2018 or 2019 because you do not have a filing requirement, the IRS originally said that you would need to file a tax return to provide them with the information to send out your stimulus payment. The IRS is now saying that you may not need to file. If you are a Social Security recipient and don't have a filing requirement, then they are supposed to gather your information from the Social Security records. For those people without a filing requirement that do not receive Social Security, you may need to file a tax return in order to qualify for the stimulus payment.

If the IRS has your bank information on file because your refund has been direct deposited or your payment has direct debited in the past, they will be direct depositing your stimulus payment. If you have Social Security direct deposited, the IRS will be checking those records if they don't have

the information from your tax return. If you do not have bank information on file or your bank account has changed, the Secretary of the Treasury announced that the IRS is planning to create a database on their website for you to update your banking information.

The IRS has not yet finalized this link. Once this database is created, we will send out an update with a link to the appropriate website.

Unemployment Benefits

- Unemployment benefits have been expanded. The amount that can be collected has increased by \$600 per week for 4 months. The amount of time that an individual can collect has also been increased by an additional 13 weeks. Prior to this bill, only people paid as employees on Form W-2 were eligible to collect unemployment benefits. **This stimulus package allows small business owners, self-employed people, gig employees, part-time employees and students to be eligible to collect benefits as well.** Apply for Unemployment if you are unable to work or have reduced working hours as a direct result of COVID-19.

Paid Sick Time and Paid Family Leave

- Paid Sick Time has been expanded.
 - If you receive a Form W-2 and have taxes withheld, but have been unable to work because you are:
 1. subject to government quarantine, or
 2. advised by a health care provider to self-quarantine, or
 3. experiencing symptoms of COVID-19

You may be entitled to receive up to 100% of your pay for up to two weeks (80 hours).

- If you receive a Form W-2 and have taxes withheld, but have been unable to work because you are:
 1. caring for an individual who is subject to quarantine, or
 2. caring for an individual experiencing COVID-19, or
 3. caring for an individual who has been advised by a health care professional to self-quarantine, or
 4. caring for a child whose school or daycare has been closed due to COVID-19 precautions, or
 5. experiencing substantially similar conditions to COVID-19

You may be entitled to receive 2/3 of your pay for up to two weeks (80 hours).

- Paid Family Leave has also been expanded. If after the first two weeks (80 hours) you are unable to return to work because you are continuing to care for a child whose school remains closed you may be entitled to receive 2/3 of your pay limited to \$200 per day, subject to a maximum amount of \$10,000.

**This also applies to self-employed people. The government will allow you to take a credit against your tax payments (estimated taxes) for paid family leave while you are unable to work because you are caring for a child whose school is closed.

***If this applies to you, please mention this when we prepare your estimated tax calculation, as this credit for Paid Family Leave can lower your estimated tax requirement.

Freelancers and Self-Employed People (If you file a Schedule C)

If you are a freelancer or self-employed, you should read the business update as well. I know that many of you do not consider yourself a business, but for these purposes many of the new programs that the government has released do apply to you.

- New Government Programs that you may be eligible for include:
 - Paycheck Protection Program (PPP)
 - Economic Injury Disaster Loan (EIDL)
 - NYC Business Continuity Loan

Please read our Business Update attachment for more details.

If you are a small business owner, self-employed person or gig-employee registering for and accepting the Economic Injury Disaster Loan or the NYC Business Continuity Loan, this should not prevent you from collecting Unemployment. If you file for the Paycheck Protection Program (PPP), you should not collect unemployment until after the eight-week program that the PPP forgivable loan covers has passed.

If normal business operations have not resumed within that time unemployment benefits are still an option for you. I have had many conversations this week with people who feel like they have to choose between these new government programs and unemployment benefits. That is not true. Small Businesses and Self-Employed individuals should apply for the new government programs first, and then consider unemployment benefits. For some of you, the unemployment benefits will be greater than the PPP loan proceeds, so you would probably be better off collecting unemployment benefits immediately and not applying for a PPP loan.