

STIMULUS KEY COMPONENTS



INDIVIDUAL ASSISTANCE

Recovery Rebates

- Provides all U.S. residents with an adjustable gross income of \$75,000 or less \$600 for singles and heads of households (\$1,200 for married couples, filing joint returns and an adjusted gross income of \$150,000 or less).
- The rebate is phased out by \$5 for every \$100 over \$75,000 that an individual receives, and phased-out completely for incomes exceeding \$99,000 (single), \$146,000 (head of household with one child) or \$198,000 (joint with no children).
- Those with children are eligible to receive an additional \$600 per child.
- Those with no income, or income that comes from non-taxable benefits such as SSI, are still eligible for the rebate.
- Checks will be sent to the address or bank account used on 2018 or 2019 tax returns. No action will be required for most eligible recipients.

Unemployment Compensation

- Extends eligibility to include self-employed individuals, independent contractors and those who have exhausted their state benefits.
- Expands eligibility to March 14, 2021.
- Increases the maximum amount available by \$300 per week.
- Allows for individuals who quit their jobs due to coronavirus-related concerns to be eligible for unemployment assistance.

Health and Dependent Care Flexible Spending Accounts

- Allows for FSA and dependent care FSAs to be rolled over from 2020 to 2021 and from 2021 – 2022.
- Extends the FSA grace period to 12 months after the end of the plan year, for plans ending in 2020 or 2021.
- Allows employees to make a 2021 mid-year prospective change in contribution amounts.

Rental Assistance

- Along with \$25 billion in Federal rental assistance, the federal eviction ban has been extended through the end of January.

RETIREMENT ASSISTANCE

Required Minimal Distribution

- The CARES Act provisions regarding coronavirus-related distributions and loans were not extended beyond 2020.

Termination Relief

- If an employee is terminated, their retirement plan will be not be treated as partial termination, but rather will be 100% vested during the period of March 13, 2020 and March 31, 2021.
- The number of active participants covered by the plan on March 13, 2021, must be at least 80% of the number of active participants.

SMALL BUSINESS ASSISTANCE

Payroll Tax Deferral

- Workers who have had their payroll taxes deferred since September will be given until December 31, 2021, to pay back the government, instead of through April 30, 2021, as originally directed by the Department of Treasury.

Debt Restructuring Relief

- Troubled Debt Restructuring Relief was extended through January 1, 2022.
- Temporary relief will be provided to those who have previously taken out loans and went into default due to COVID-19. The loan will be provided a grace period and the loaner's credit score will not be impacted.



This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

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