

Summary of COVID-19 Relief Provisions for Patients and Families

On March 11, 2021, President Biden signed the **American Rescue Plan** into law as the latest COVID-19 stimulus package. The \$1.9 trillion package provides immediate financial and social support to individuals and families, particularly those most in need, and more people will receive support under this Rescue Plan than stimulus packages implemented previously in the pandemic.

The Rescue Plan includes both fast fixes and longer-term solutions to boost personal and national economies that took hard hits during the pandemic. This summary is organized in similar fashion, featuring the following direct financial and social supports for people first, followed by tax credits incorporated in the overall package:

Direct financial assistance

- (1) Stimulus payments
- (2) Nutrition assistance
- (3) Housing assistance
- (4) Unemployment Insurance Extension
- (5) Insurance Coverage Expansions
 - (a) Premium tax credits
 - (b) COBRA Subsidies

Tax credits

- (6) Child Tax Credit
- (7) Earned Income Tax Credit
- (8) Child and Dependent Care Tax Credit

DIRECT FINANCIAL ASSISTANCE

1. Stimulus Payments			
<i>Eligibility and amount based on Adjusted Gross Income (AGI) in 2019 or 2020 Tax Returns</i>			
Who is eligible for payments?	Full \$1,400 payment when AGI is:	Partial payment when AGI is between:	No payment when AGI exceeds:
Single Filer	Up to \$75,000	\$75,000 - \$79,999	\$80,000
Head of Household	Up to \$112,500	\$112,500 – 119,999	\$120,000
Married couple	Up to \$150,000	\$150,000 - \$159,999	\$160,000
Dependents claimed on taxes (any age)	Payment per dependent is also based on the tax filer’s AGI above and phases out accordingly.		
<i>Examples:</i>			
<i>(1) Single mother making \$60,000 with two dependents will receive \$4,200.</i>			

(2) Married couple making \$155,000 total with two dependents will receive \$2,800.

How to apply	<ul style="list-style-type: none">• Payments are automatic. Use the Get My Payment tool to check status.• Did not get the first or second payments in 2020? Individuals can claim the 2020 Recovery Rebate Credit – must file 2020 tax return to do so. More info at Frequently Asked Questions.
Process/Timing	<ul style="list-style-type: none">• Payments began processing on 3/12/21 mostly via direct deposit, but paper checks will be issued for some.
Need more info? Visit the IRS FAQ Sheet	<ul style="list-style-type: none">• Reminder: Deadline to file 2020 taxes has been extended to May 17, 2021. People can file for free here.

2. **Nutrition Support**

- a. Provides an extension to the 15 percent increase in **Supplemental Nutrition Assistance Program (SNAP)** benefits for all existing participants through September 30, 2021 – which amounts to about \$28 per month per person.
 - i. Information for SNAP applicants [available here](#).
 - ii. Stimulus payments and child tax credits are excluded from consideration as income in the month of receipt and as a resource for 12 months following receipt.
- b. Directs funding to **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)** to modernize the program and increase participation and redemption of benefits.
 - i. Impact on individual recipients is yet to be determined.
 - ii. Information for WIC applicants [available here](#).
- c. Allows states to continue their [Pandemic EBT \(P-EBT\) programs](#) for the duration of the health emergency, including through the summer, to allow families with children receiving school meals to purchase healthy food more easily during the pandemic.

3. **Housing Support**

- a. Provides more than \$21.5 billion in Emergency Rental Assistance, to be administered by Treasury via local grantees.
 - i. Information for individuals on eligibility and application process [available here](#).
- b. Provides nearly \$10 billion, to be administered by Treasury, to help homeowners behind on their mortgage and utility payments and avoid foreclosure and eviction.
 - i. Details on application process for homeowners have not yet been announced.
 - ii. Individuals can visit the Consumer Financial Protection Bureau [online](#) or at 855-411-2372 for help with rent or mortgage.
- c. Millions more in funding is directed towards a variety of programs involving housing relief and homelessness.

4. Unemployment Insurance

Extends temporary changes to three existing unemployment programs.

Who is eligible for each program and what are the benefits?	Pandemic Unemployment Assistance (PUA) Program <ul style="list-style-type: none"> Self-employed, “gig workers” who do not qualify for regular state benefits. Recipients can now collect benefits for a <u>maximum of 79 weeks</u> (up from 50). 	Federal Pandemic Unemploy. Compensation (FPUC) <ul style="list-style-type: none"> Employees eligible for regular unemployment benefits. This is the extra weekly payment – <u>continued at \$300 per week for another 25 weeks from 3/14/21 and 9/6/21.</u> 	Pandemic Emergency Unemployment Comp. (PEUC) <ul style="list-style-type: none"> Employees eligible for regular unemployment benefits. This is the extension in number of weeks an employee could receive benefits – <u>extended to 48 weeks (up from 24).</u>
Additional benefit: Tax waiver for 2020	Individual taxpayers (or each spouse in the case of a joint return) who received any unemployment compensation in 2020 will not be taxed on the first \$10,200 per person. Applies to people earning less than \$150,000 AGI last year.		
How to apply	Information for applicants on how and where to apply can be found at the U.S. Department of Labor website: Unemployment Insurance Relief During COVID-19 Outbreak . The site also includes a chart with contact information of state unemployment offices.		
Process/Timing	Program extensions are in effect until September 6, 2021. IRS is still working on how to handle tax waiver for those who either filed or did not yet file 2020 taxes. IRS DEADLINE TO FILE TAXES EXTENDED TO MAY 17, 2021.		

5. Financial Assistance for People Purchasing Health Insurance

Historic expansions of the Affordable Care Act (ACA) through extending subsidies to more people and gives more generous subsidies. Those who lost employment have several options including extending employer-insurance through COBRA with subsidy support.

Who is eligible for ACA subsidies, called premium tax credits (PTC) ?	People with higher incomes above 400% of the federal poverty level (approx. \$51,000) for years 2021 and 2022. <i>Now there is no upper limit on PTCs.</i>	People with lower incomes who already qualify will see more generous subsidies in 2021 and 2022. <i>People making between 100 and 150% FPL (\$19,320 for individual) are eligible for \$0 premium silver plan.</i>	People receiving unemployment in 2021 are treated as though their income is no more than 133% of FPL – making them eligible for \$0 premium plans. <i>This could extend PTCs to some below 100% FPL.</i>
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Additional benefits	<ul style="list-style-type: none"> • People purchasing their own coverage on healthcare.gov would pay NO MORE than 8.5% of their monthly household income on silver plan premiums. i.e., they will qualify for PTCs if their premiums exceed 8.5% of their overall household income. • People who received PTCs will be held harmless from income fluctuations in 2020. This will prevent those who underestimated their income from having to repay any excess subsidies if their income is higher than expected.
How to apply	<ul style="list-style-type: none"> • Starting April 1, people with marketplace coverage in one of the 36 states that use the federal healthcare.gov can claim their credit. <ul style="list-style-type: none"> ○ Current enrollees should log in to healthcare.gov and update their application. New eligibility results will show the extra tax credit amount. Enrollees must reselect their current plan for changes to take effect to lower premiums for rest of 2021. ○ Current enrollees could also wait until they file and “reconcile” their 2021 taxes in 2022 to apply the premium tax credit. • Enhanced subsidies would apply beginning on May 1, 2021. • In states that run their own marketplaces, people should check the procedures there. States including California and Rhode Island, as well as the District of Columbia, have announced they will automatically adjust enrollees’ premiums.
Process/Timing	<p>Details about subsidies will become available starting April 1.</p> <ul style="list-style-type: none"> • PTCs will apply retroactively for months January – March – further guidance expected. • People who don’t update their applications now will still be able to claim the additional tax credit amount when they file their taxes in 2022. • Note that if people want to change plans, they should consider the new plan’s deductible that will likely start over. OOP costs paid on current 2021 plan won’t count towards new deductible, even if they stay with same insurance company. <p>REMINDER: ACA’s Special Enrollment Period has been extended to August 15, 2021.</p>
Who is eligible for COBRA subsidies and how does it work?	<p>100% of premium costs for COBRA continuation coverage will be subsidized beginning April 1 – September 30, 2021 i.e., the COBRA subsidy period.</p> <p>Only available to individuals who are involuntarily terminated or had their hours reduced including those:</p> <ul style="list-style-type: none"> • Who become eligible for COBRA during the COBRA subsidy period (e.g., an employee who is involuntarily terminated on April 3, 2021). • Who previously elected COBRA but dropped coverage for any reason (including for failure to pay premiums) and whose eligibility for coverage would have extended through the COBRA subsidy period. • Who previously did not elect COBRA but are eligible for coverage during the COBRA subsidy period (e.g., an employee terminated in January 2021).

	Coverage will be retroactive to April 1.
How to Apply	Assistance eligible individuals enroll in subsidized coverage through the normal COBRA enrollment process.
Process and Timing	<p>For those previously eligible for COBRA but did not enroll or who dropped coverage:</p> <ul style="list-style-type: none"> • A new 60-day special enrollment period must be provided beginning April 1, 2021 and ending 60 days after the notice of election provided by plan. • The Department of Labor issued a model COBRA election notice that plan administrators can use to inform this group about the special COBRA election opportunity. • Employers must send out a notice by May 31, 2021 to those who became eligible for COBRA prior to April 1, 2021. These individuals are eligible for a second COBRA election period beginning April 1 and ending 60 days after the notice is provided by the plan administrator. <p>New COBRA FAQ available here at the Department of Labor’s website.</p>

TAX CREDITS

6. Temporary 2021 Child Tax Credit – Official Guidance Forthcoming		
Extends the Child Tax Credit (CTC), also known as “child checks”, to 27 million children in families with low or no income, increases the maximum credit, and extends credit to 17-year-olds.		
Who is eligible – parents and caregivers of children	Age	Amount you could get per child
	Age 5 and under Ages 6-17	Up to \$3,600/year or \$300/month if paid monthly Up to \$3,000/year or \$250/month if paid monthly
<p>Amounts phase out for those with higher incomes (same as stimulus payment thresholds @ \$75,000 for single, \$112,500 for head of household, \$150,000 for married couple).</p> <ul style="list-style-type: none"> • You no longer have to make \$2,500/year to receive the credit. • This tax credit is fully refundable i.e., you can collect money as a refund even if your tax bill is zero. • Based on 2020 tax return if processed by July or based on 2019 returns. 		
How to apply	<ul style="list-style-type: none"> • Payments will be automatic for those who file 2020 tax returns by May 17. • You must file a tax return to get the credit. • Online portal to be set up soon. • More information for applicants will be posted at this IRS website. <p><i>*IRS strongly urges taxpayers not to file amended returns or take other steps at this time.*</i></p>	

Process/Timing	<ul style="list-style-type: none"> The law requires IRS to develop a system that <u>gives taxpayers the option to receive half of their tax credit in advance</u> and the other half with their 2021 tax refund. Targeting July 2021 – May take some time to deliver the money due to backlog of tax returns. Payments will likely be delivered via direct deposit (if you have this on file with IRS) or paper checks. To be delivered “periodically” – frequency yet to be determined.
<i>Will last temporarily through 2021</i>	

7. Expanded 2021 Earned Income Tax Credit (EITC) – Official Guidance Forthcoming

Applies temporary changes to EITC applicable to the 2021 tax year making more taxpayers eligible to claim EITC and those **without** qualifying children will get a significantly higher EITC.

Who is eligible	<ul style="list-style-type: none"> Childless taxpayers will see increase in EITC from \$530 to now \$1,500 (with some higher income maximum credit amounts and phaseouts in place). Expands the range of recipients to include those aged 19-24 who are not full-time students as well as those aged 65 and over. Taxpayers may choose to use their 2019 or 2021 income – whichever provides greater credit amount. This tax credit is fully refundable i.e., you can collect money as a refund even if your tax bill is zero. Taxpayers with children that do not have social security numbers can now claim “childless EITC”.
How to apply	<ul style="list-style-type: none"> More guidance forthcoming Individuals can use this EITC assistant at IRS.gov to check eligibility, estimate tax credit and check filing status.
Process/Timing	<p>More details to come! IRS website will provide further guidance as details emerge. <i>As of 3/22/21 we know that:</i></p> <ul style="list-style-type: none"> Expanded EITC applies to the 2021 tax year only. Benefits realized when taxpayers file their 2021 tax returns in Spring 2022.

8. 2021 Child and Dependent Care Tax Credit

The law raises the dollar limit on employment-related child and dependent care expenses for 2021 tax year.

Changes to the tax credit and who is eligible	<ul style="list-style-type: none"> Households with children under 13 and other dependents <ul style="list-style-type: none"> For one qualifying individual – expense limit raised to \$8,000 (up from \$3,000) such that the maximum credit is \$4,000.
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	<ul style="list-style-type: none"> ○ For two or more qualifying individuals – expense limit raised to \$16,000 (up from \$6,000) such that the maximum credit is \$8,000. ● The credit will be calculated by taking up to 50% of the value of eligible expenses, subject to limits above, depending on your income. ● Full value of credit will be available to households making up to \$125,000 – this is significantly increased from prior \$15,000 – at which point the credit percentage begins to phase out and plateaus at 20%. ● This tax credit is fully refundable i.e., you can collect money as a refund even if your tax bill is zero.
How to apply	<ul style="list-style-type: none"> ● To be determined
Process/Timing	<ul style="list-style-type: none"> ● Applicable to 2021 tax year only