



2020 CARES ACT

NOTABLE PROVISIONS AFFECTING INDIVIDUALS

The [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act of 2020](#) has been passed in response to the COVID-19 pandemic. Some key provisions and the ways in which they directly affect individuals are outlined below. Please note, this is not intended to serve as an all-inclusive summary and clients should refer to the complete [CARES Act](#) for more information.

RECOVERY REBATES

Direct payments will be issued to taxpayers. For a more detailed explanation and examples of how to calculate rebate amounts, [this article](#) is a helpful resource.

Refundable Income Tax Credit

Credit against 2020 income of up to \$2,400 for married couples filing a joint return. All other filers begin with a refundable credit of up to \$1,200. The credit amount then increases by up to \$500 for each child under the age of 17.

AGI Threshold Amounts

Threshold amounts based on 2018 income: Married Joint, \$150,000; Head of Household, \$112,500; All Other Filers, \$75,000. Payment reduced by \$50 for every \$1,000 over threshold amounts.

Eligibility

Individuals are required to have a work-eligible Social Security number and cannot be claimed as a dependent. Individuals do not need to have had reportable income in 2019 and can also be eligible for other income-benefit programs.

STUDENT LOANS

Payments Deferred

Qualifying federal student loan payments deferred until September 30th.

No Interest

No interest will accrue on debt during forbearance. Forbearance period may not count towards public student loan forgiveness program.

TAXES

Filing Deadline Extended

The filing deadline for 2019 tax returns has been extended to July 15th.

Charitable Contributions

New \$300 above-the-line deduction for “qualified charitable contributions”, and the AGI limit for cash charitable contributions has been temporarily repealed.

RETIREMENT PLANNING

Minimum Distributions Waived

Required Minimum Distributions are waived in 2020, and eligible taxpayers who have already taken their RMDs for 2020 may have the option of returning them.

Coronavirus-Related Distributions

Coronavirus-Related Distributions are distributions of up to \$100,000, made from IRAs, employer-sponsored retirement plans, or a combination of both, which are made in 2020 by an individual who has been impacted by the Coronavirus.

Other Distribution Provisions

Distributions are exempt from the 10% early withdrawal penalty, not subject to mandatory withholding requirements, are eligible to be repaid over 3 years, and the income may be spread over 3 years.

UNEMPLOYMENT BENEFITS

Waiting Period Waived

Unemployment benefit will be available the first week of unemployment, waiving the ‘normal’ one-week waiting period.

Increased Compensation

States have been given the ability to increase their unemployment compensation by up to \$600 per week and the benefit period is extended by 13 weeks.

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