



Social Security Legislative Bulletin

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President Signs H.R. 748, the “Coronavirus Aid, Relief, and Economic Security Act”

On March 27, 2020, the President signed H.R. 748, the *Coronavirus Aid, Relief, and Economic Security Act*, or *CARES Act*, into law. Earlier in the day, the House passed the legislation by voice vote. The bill previously passed the Senate on March 25, by a vote of 96-0. The new law includes numerous provisions that provide relief to people and businesses affected by the novel coronavirus, including expanding unemployment benefits, creating a small business loan program, providing funding to hospitals, and issuing special recovery tax rebates to most individuals.

Below is a summary of provisions of interest to the Social Security Administration (SSA). We will continue to update this bulletin as we analyze the law.

Section 2201 - Advanced Recovery Rebates for Individuals

- Treasury will provide “recovery rebates” to most individuals. SSA will not be directly involved in issuing these payments, but will be appropriated \$38,000,000 to assist the Treasury with a public awareness campaign, a data exchange to share beneficiary/recipient data (including bank account information) and answering public inquiries.
- The recovery rebate will be a one-time payment of \$1,200 per individual, or \$2,400 for joint tax filers, plus \$500 for each qualifying child in the household.
- The amount of the recovery rebate will be reduced by 5 percent of the amount by which a person’s adjusted gross income exceeds certain limits (\$75,000 for individuals, \$150,000 for joint filers, and \$112,500 for head of

household). It will also be reduced by the amount of certain advanced tax credits the person received.

- To be eligible, a person needs to have a work authorized SSN and not be a non-resident alien or claimed as a dependent on someone else's tax return. A qualifying child needs either a work authorized SSN or adoption taxpayer identification number (ATIN).
- Treasury will issue the recovery rebate using the address or electronic payment information from the person's tax return for 2019 or 2018. If a person did not file for those years, Treasury will use the address information from the Social Security 1099 or Railroad Board 1099. For Supplemental Security Income recipients who do not receive a Social Security 1099, SSA will share data on these individuals with Treasury to notify potentially eligible individuals and provide necessary materials to apply for the payment.
- Treasury is required to issue the payments as quickly as possible after enactment.
- Eligible individuals who did not receive a recovery rebate payment in 2020 can receive the rebate in 2021 when they file a return for tax year 2020.

Sections 2301 / 2302 – Employee Retention Credit / Delay of Payment of Employer Payroll Taxes

- Reduces FICA taxes owed by certain employers. Delays payment of FICA/SECA. Ensures that Social Security's Trust Funds are not adversely affected by the delay in FICA/SECA payments.

Section 3513 - Temporary Relief for Federal Student Loan Borrowers

- Suspends collection of debts related to Federal student loans through September 30, 2020. This will suspend the recovery of student loan debt from Social Security benefits via benefit payment offset.

Division B, Title VIII - SSA Limitation on Administrative Expenses

- Provides \$300 million in funding, available through September 30, 2021, to prevent, prepare for, and respond to coronavirus, including paying the

salaries and benefits of all employees affected as a result of office closures, telework, phone and communication services for employees, overtime costs, supplies, and for resources necessary for processing disability and retirement workloads and backlogs.

These provisions are effective upon enactment.