

The Second Stimulus Package: What's in It for You

28 December 2020

The new stimulus package signed by President Trump in late December extends some provisions of the original stimulus package from the spring, while adding new measures to help working families who have continued to suffer amid the pandemic. Here are some highlights.

Stimulus payment

Individual adults with adjusted gross income on their 2019 tax returns of up to \$75,000 a year will receive a \$600 payment, and heads of households making up to \$112,500 and a couple (or someone whose spouse died in 2020) earning up to \$150,000 a year will get twice that amount. If they have dependent children, they will also get \$600 for each child. People with incomes just above these levels will receive a partial payment that declines by \$5 for every \$100 in income.

Unemployment insurance

The agreement revives enhanced federal jobless benefits of up to \$300 per week for 11 weeks, providing a lifeline until March 14.

Behind on your rent?

The agreement provides \$25 billion to be distributed through state and local governments to help renters who have fallen behind.

Rental evictions

The agreement extends a moratorium on renter evictions through Jan. 31.

Food assistance

First, the monthly benefit for SNAP will increase by 15 percent through June 30, 2021. Second, people collecting unemployment benefits will have an easier time qualifying for SNAP. Finally, college students will have an easier time qualifying. Food aid is one of the most reliable forms of assistance to those in need.

Taxes

For the tax return you file for 2020, you will be able to use the money you earned from 2019 for qualification purposes instead of 2020, both for the earned-income tax credit and the refundable portion of the child tax credit.

Aid for small businesses

The Paycheck Protection Program is back. The agreement sets aside \$285 billion for additional loans for businesses ravaged by the pandemic.

Mortgage assistance

Homeowners with mortgages backed by the federal government are permitted to temporarily suspend their payments, a process called forbearance, for up to a year.

Surprise medical bills

The legislation makes it illegal for hospitals to charge patients for services like emergency treatment by out-of-network doctors or transport in air ambulances that patients often have no say in accepting. This

will help Americans avoid unexpected — and often exorbitant — medical bills that can spawn from visits to hospitals.

Unused flexible spending account money

Now, if your employer allows it, you can carry over unused health care or dependent care money and use it in 2021. Ditto for unused 2021 money that you wish to carry over into 2022. The law also allows employers to raise the last eligible age for children's dependent care to 13, from 12, for the 2020 plan year.

If you're eligible for help, that does not mean that assistance will be easy to get. Many states' unemployment systems are old and have been overwhelmed by demand. If you feel locked out, try contacting your elected state and federal representatives for help. Wyoming's Legal Aid service may be able to help low income households. Also, local assistance organizations, such as food pantries and nonprofits, may be able to help.

And don't forget, any time money is around, the fraudsters come out. Be careful of pitches for investments and coronavirus-related fraud.