

COVID-19 and Direct Payments to Individuals: Economic Impact Payments (EIPs) for Social Security and Supplemental Security Income Beneficiaries

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The Coronavirus Aid, Relief, and Economic Security (CARES) Act ([P.L. 116-136](#)) provides emergency relief measures in response to the Coronavirus Disease 2019 (COVID-19) pandemic. Section 2201 of the CARES Act provides recovery rebates for most individuals, structured as [automatically advanced tax credits](#) disbursed by the Treasury Department. The Internal Revenue Service (IRS) refers to the payments made in 2020 as [economic impact payments \(EIPs\)](#). (These payments are also known as “[stimulus checks](#)” or “[stimulus payments](#).”) As of May 31, 2020, [more than 160 million payments totaling over \\$269 billion had been disbursed](#). This Insight addresses EIPs from the perspective of Social Security and Supplemental Security Income (SSI) beneficiaries.

Overview of Economic Impact Payments (EIPs)

[Eligible individuals](#) can receive an EIP of \$1,200 per person (\$2,400 for married joint filers) via direct deposit, check by mail, or prepaid debit card (including [Direct Express debit card](#) and [EIP card](#)). Eligible individuals can also receive an additional \$500 for each child under 17 years old who is eligible for the [child tax credit](#) (hereinafter *qualifying child*).

The EIP is reduced by \$5 for every \$100 of [adjusted gross income \(AGI\)](#) above \$75,000 for individuals, \$112,500 for heads of households, and \$150,000 for married joint filers. Consequently, it is not payable to individuals (with no qualifying children) with AGI above \$99,000 or married joint filers (with no qualifying children) with AGI above \$198,000. A married couple with two eligible children is ineligible for an EIP with AGI above \$218,000.

Nonresident aliens, individuals who could be claimed as a dependent by another taxpayer, and estates or trusts are ineligible for the EIP. Taxpayers must have provided a [work-authorized Social Security number \(SSN\)](#) for themselves, their spouse (if married filing jointly), and any qualifying child, with some exceptions for adopted children and military families.

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The EIP is automatically issued to eligible individuals in 2020 based on their 2019 federal income tax return. For eligible individuals who did not file a 2019 return, the payment is automatically issued based on 2018 return information. For eligible individuals who were Social Security beneficiaries in 2019 and who were not required to file a federal tax return because their incomes were below the filing threshold, the law permits the IRS to automatically issue the \$1,200 payment using the information from their 2019 [Social Security Benefit Statement](#).

The EIP is not subject to federal income tax. The payment is [not treated as income, or as a resource for a 12-month period](#), in determining an individual's eligibility or assistance amount under any federally funded public program. Receiving an EIP in 2020 does not affect a taxpayer's 2020 income tax liability or tax refund.

EIPs for Social Security and SSI Beneficiaries

All [Social Security beneficiaries](#)—retired workers, disabled workers, eligible family members, and survivors—and [SSI recipients](#) are eligible for the \$1,200 EIP unless they are claimed as a dependent on a taxpayer's return or do not meet the other eligibility requirements. The term *Social Security beneficiaries* includes Social Security Disability Insurance (SSDI) beneficiaries. The payment is not counted as income, or as a resource for a 12-month period, in determining an individual's eligibility for SSI or the amount of the SSI payment.

For Social Security and SSI beneficiaries with a [representative payee](#), the EIP is issued to the representative payee. Check payments typically include a designation to denote the beneficiary's name. [Information provided by the Social Security Administration \(SSA\)](#) indicates that an EIP belongs to the beneficiary; the representative payee is to provide the EIP to the beneficiary and, if requested, may provide assistance in using the EIP, outside the role of a representative payee.

Social Security and SSI Beneficiaries Who Filed a Tax Return for 2018 or 2019

Eligible individuals who filed an income tax return for 2018 or 2019, including Social Security and SSI beneficiaries, received the \$1,200 EIP and the additional \$500 per qualifying child without taking any further action. However, if a qualifying child was *not* listed on a 2018 or 2019 income tax return, but will be included on a 2020 tax return, then eligible individuals will generally receive the additional \$500 per qualifying child when they file their 2020 income tax return in early 2021.

Social Security and SSI Beneficiaries Who Do Not Have Qualifying Children and Who Did Not File a Tax Return for 2018 or 2019

[Social Security and SSI beneficiaries who do not have qualifying children under 17 years old](#), and who did not file a tax return for 2018 or 2019, were not required to take any action to receive the EIP. The Treasury Department, SSA, IRS, and Bureau of the Fiscal Service arranged for these beneficiaries to automatically receive the \$1,200 EIP by direct deposit, Direct Express debit card, or paper check, just as they would normally receive their monthly benefits.

Social Security and SSI Beneficiaries Who Have Qualifying Children and Who Did Not File a Tax Return for 2018 or 2019

Social Security and SSI beneficiaries who did not file an income tax return for 2018 or 2019 and who have qualifying children automatically received the \$1,200 EIP. However, those beneficiaries were required to take further action to receive the additional \$500 per qualifying child. The IRS initially announced that Social Security and SSI beneficiaries needed to provide information about qualifying

children by [April 22, 2020](#), and [May 5, 2020](#), respectively, using the IRS [Non-Filers: Enter Payment Info Here](#) tool. On August 14, 2020, the IRS and SSA announced that the deadline was changed to September 30, 2020, for beneficiaries who had not already used the IRS nonfilers tool to provide information about their qualifying children. SSA indicated that they may [enter only non-Direct Express bank account](#) information to receive the payment by direct deposit, or they may leave bank information blank to receive the payment by paper check. Beneficiaries who miss the September 30 deadline are required to file a 2020 income tax return (in early 2021) to receive the additional \$500 per qualifying child.

New Social Security and SSI Beneficiaries Since January 1, 2020, Who Did Not File a Tax Return for 2018 or 2019

Social Security and SSI beneficiaries who [first started receiving benefits since January 1, 2020](#), and who did not file an income tax return for 2018 or 2019 are required to use the IRS [Non-Filers: Enter Payment Info Here](#) tool by [October 15, 2020](#), to receive their own \$1,200 EIP and the additional \$500 per qualifying child. SSA indicated that they may [enter only non-Direct Express bank account](#) information to receive the payment by direct deposit, or they may leave bank information blank to receive the payment by paper check. Otherwise, those beneficiaries would be required to file a 2020 income tax return (in early 2021) to receive their payment.

Additional Information

For additional CRS products and other resources related to the CARES Act EIPs, see CRS Report R46415, *CARES Act (P.L. 116-136) Direct Payments: Resources and Experts*, coordinated by Margot L. Crandall-Hollick.

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