

# COVID-19 FINANCIAL SOLUTIONS FOR YOU

COVID-19 changed the world in a very short time. At **Casey Peterson, LTD**, we understand the current situation is filled with uncertainty. We created this guide to help you navigate some of the financial situations you might be facing. Remember: You don't have to do this alone. We're always here to help.

As your trusted advisors, we provide comprehensive, knowledgeable, and confidential services to solve problems for a changing world in an innovative manner for our clients, our community, and ourselves. For over 40 years, our goal has been to provide professional, quality service to our clients while maintaining prompt, personal attention.

[CASEYPETERSON.COM](http://CASEYPETERSON.COM)



# ECONOMIC IMPACT PAYMENTS

Through the CARES Act, the government will send up to \$1,200 to most individual taxpayers who make less than \$75,000. Married couples who file joint returns and make less than \$150,000 will receive \$2,400. You'll also get an extra \$500 for each qualifying dependent child you have who's younger than 17. Payments aren't taxable income.

If you make more than \$75,000 or \$150,000 for couples, there's a **sliding scale** ▶. Those who make more than \$99,000 or \$198,000 for couples won't receive any funds.



Also, those who can be claimed as a dependent, people without a Social Security number, and nonresident aliens aren't eligible for the funds.

## TIMING AND LOGISTICS

The rebates will be paid out through direct deposits or in the form of checks. Most people won't have to do anything to receive the money. The IRS is calculating the amount you'll receive based on your 2019 or 2018 tax return.

The IRS has started distributing the funds already, but it could take a few weeks or months before people start seeing anything in their bank accounts or through checks in the mail.

The IRS launched a new tool to help people make sure their information is accurate and to help track the payment. You can find it at [irs.gov/coronavirus/economic-impact-payments](https://irs.gov/coronavirus/economic-impact-payments) ▶.

## ADVICE FOR SENIOR CITIZENS

The **IRS now says Social Security beneficiaries** ▶ who are not typically required to file tax returns will **not** need to file an abbreviated tax return to receive a stimulus payment. Recipients should receive these payments as a direct deposit or by paper check, just as they would normally receive their benefits.

## FUNDS FROM YOUR RETIREMENT

Although you'd want to use caution, it is possible — and now less costly — to use money from your IRAs and retirement plans. But there are stipulations. The IRS waived the 10% penalty on early distributions for someone who has the coronavirus or who is economically harmed by it. These penalty-free distributions are limited to \$100,000.

If you do decide to withdraw money from your retirement account, you have three years from the day after you receive your distribution to repay the amount you withdrew. If you don't repay it, the distribution does then become taxable.

There are lots of dos and don'ts when it comes to making early withdrawals. Make sure to consider that option carefully, and talk to your retirement professional before you decide to do it.

Also, if you've been drawing required minimum distributions or were supposed to be required to start taking them in 2020, you're no longer required to do so this year.

## NEW DEADLINE REMINDER

For individuals, the **new deadline is July 15** ▶. You don't need to file any forms to get this extension; it's automatic.



It's always a good idea, though, to file sooner rather than later. First, if you're due a refund, you'll get it faster. Second, even if you owe money, you'll find out how much you owe and can start making plans about how you'll pay your tax bill due on July 15. Estimated tax payments for Quarters 1 and 2 are also both due on July 15.

## HEALTHCARE OPTIONS

If you have a high deductible health plan, you can take advantage of tele-health and remote services without any out-of-pocket costs to you. In addition, you can use your health savings accounts and medical savings accounts to pay for nonprescription medical products as qualified expenses. These provisions generally apply in 2020 or later and can also apply to flexible spending (cafeteria) plans as well as health reimbursement plans. Check the rules for your plan specifically.

## MORTGAGE AND RENTAL ASSISTANCE

Depending on who holds your mortgage or rental agreement, you may be eligible for housing relief if you've been affected by the virus. Your best course of action is to talk to your landlord or the financial institution where your mortgage loan originated.

## STUDENT LOAN DEFERMENT

To provide relief to student loan borrowers during the COVID-19 health crisis, those borrowers are automatically placed in an administrative forbearance, which allows them to temporarily stop making monthly loan payment. This suspension of payments will last until Sept. 30, 2020. Also, employees currently may exclude \$5,250 from income for benefits from an employer-sponsored educational assistance program. So, if you have student loan debt, ask your employer if this program can benefit you.

## PEOPLE FIRST INITIATIVE



The IRS recently announced its **“People First Initiative”** ▶ that’s in effect until July 15, 2020.

The initiative covers a range of issues, including postponing certain payments related to installment agreements and limits certain collections and enforcements.

Among other benefits, the recently enacted Families First Coronavirus Response Act offers some emergency paid leave for those impacted by COVID-19. You can read more about it on our blog: [caseypeterson.com/blog/what-families-first-coronavirus-response-act-means-businesses](https://caseypeterson.com/blog/what-families-first-coronavirus-response-act-means-businesses) ▶

## CHARITABLE DEDUCTIONS

The CARES Act provides new ways to deduct charitable contributions. Even if you use a standard deduction, you'll still be able to claim up to \$300 for cash donations you make to approved nonprofits. If you itemize, in 2020, you can donate as much 100% of your adjusted gross income.

# ADDITIONAL RESOURCES

### CASEY PETERSON, LTD RESOURCES PAGE

<https://www.caseypeterson.com/resource-center/covid-19-resources>

### IRS COVID RESOURCES

<https://www.irs.gov/coronavirus-tax-relief-and-economic-impact-payments>

### SOUTH DAKOTA DEPARTMENT OF LABOR

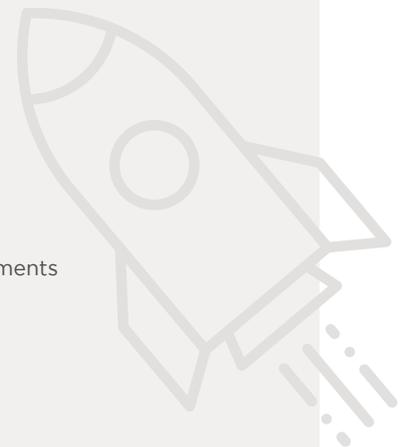
[https://dlr.sd.gov/ra/covid\\_19\\_ra\\_eligibility.aspx](https://dlr.sd.gov/ra/covid_19_ra_eligibility.aspx)

### WYOMING DEPARTMENT OF LABOR

<http://www.wyomingworkforce.org/workers/ui/>

### HELPLINE CENTER 211

<https://www.helplinecenter.org/when-disaster-strikes/>



This communication is intended to provide general information on legislative COVID-19 relief measures as of the date of this communication and may reference information from reputable sources. Although our firm has made every reasonable effort to ensure that the information provided is accurate, we make no warranties, expressed or implied, on the information provided. As legislative efforts are still ongoing, we expect that there may be additional guidance and clarification from regulators that may modify some of the provisions in this communication. Some of those modifications may be significant. As such, be aware that this is not a comprehensive analysis of the subject matter covered and is not intended to provide specific recommendations to you or your business with respect to the matters addressed.