



# Agudath Israel of America

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New York Office

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## **CORONAVIRUS AND YOUR FINANCES:**

### ***Guidance for Individuals***

The federal government has created temporary financial assistance programs to help individuals, small businesses, and nonprofits during the coronavirus pandemic. Many state governments - like New York - have implemented their own programs. To provide an overview of some of the available options, Agudath Israel has consulted with a national team of professionals to provide this guidance document.

**Remember:** No decision should be made without consulting your tax and financial advisor. Agudath Israel is NOT a law or accounting firm, and this information is presented as a public service for informational purposes only. Decisions should be case-specific, and the regulatory landscape is changing quickly. To receive updates, or for further questions, email [covidfinances@agudah.org](mailto:covidfinances@agudah.org).

## Stimulus Payments:

The CARES Act provides one-time non-taxable cash payments to most Americans. It provides:

**2,400** for joint filers (\$1,200 for individual filers), plus an additional **\$500** per dependent child, 16 years of age or below.

- Joint filers with an adjusted gross income (AGI) of under **\$150,000** (or \$75,000 for individual filers) will receive the full stimulus payment. Payments begin to taper off, or “phase-out,” for AGIs above \$150,000. **Note:** AGI is gross income minus certain deductions, and can be found on Line 37 of your Form 1040.

**Example:** Mr. and Mrs. Goldberg file jointly and have a total income of \$170,000, which equals an AGI of \$140,000. They have three dependent children under 17.

The Goldbergs will receive the full stimulus payment of **\$3,900**.

- Payments are based on the 2019 tax return, or if not yet filed, the 2018 return. No need to apply for the payment. The IRS will directly deposit the payment to taxpayer’s account if the IRS has the bank account information from taxpayer’s tax return.

Otherwise, a check will be mailed to taxpayer’s address. For more information click [here](#).

**Example Two:** Bubby Goldberg receives Social Security benefits, but does not typically file a tax return. Must she file a tax return this year to receive her stimulus payment?

Social Security recipients need not file to receive stimulus payments, as the IRS has the information for Social Security recipients on file. However, someone who does not - or did not - file a return for other reasons should speak to their accountant about filing a tax return this year to receive the stimulus payment.

## Unemployment Benefits:

The CARES Act enhances traditional unemployment benefits by providing:

- **Eligibility for individuals who have NOT traditionally been eligible** for unemployment benefits (e.g., self-employed workers, independent contractors). This includes individuals unemployed due to coronavirus related incidences, such as diagnosis with coronavirus; diagnosis of family member the individual is caring for; inability to work due to quarantine; child not attending school; work closure, etc.

- **An additional \$600 per week**, on top of regular benefits, to all recipients; and,

- **An additional 13 weeks of benefits**, beyond the regular 26 weeks already provided, for a total of 39 weeks of coverage.

An excellent FAQ regarding New York unemployment information and the CARES Act can be found [here](#).

Part-time workers are also eligible for benefits and the additional \$600 weekly benefit.

**Example:** Mr. Goldberg is in quarantine and is unemployed because he cannot work at his office. His employer does not allow him to work remotely. Mr. Goldberg earns \$100,000 annually.

Mr. Goldberg would typically receive the New York State maximum unemployment benefit of \$504 per week (calculate benefits [here](#)). Under the CARES Act, Mr. Goldberg will receive this amount, plus \$600 per week, for an extended period of time.

File a New York unemployment claim [here](#).

## Retirement Accounts:

The CARES Act also makes it easier to take money out of your retirement account, if needed.

Under the CARES Act, the 10% early withdrawal penalty, for distributions up

to \$100,000 from qualified retirement accounts for coronavirus-related purposes, is waived. In addition, income attributable to such distributions is subject to tax over three years, and the taxpayer may recontribute the funds to an eligible retirement plan within three years without regard to that year's cap on contributions. Further, the provision provides flexibility for loans from certain retirement plans for coronavirus-related relief.

**Note:** one should exercise caution and consult with a financial planner before removing money from one's retirement account, even if certain penalties have been temporarily suspended, due to the loss of compound interest.

### **Student Loans:**

Payments to most federally held student loans (not private loans) are automatically paused under the CARES Act until September 30th .

### **Mortgage and Rent Forbearance**

The legislation helps protect homeowners and renters during these financially uncertain times.

The CARES Act enables:

- payment forbearance for federally backed mortgages;
- requires a foreclosure and eviction moratorium for homeowners with such mortgages, and;
- Imposes an eviction moratorium for renters in federally supported housing.

For assistance with these items, call:

Agudath Israel's Mortgage Assistance SBCO Hotline: **718-435-1300 ext. 120**. Leave a clear message as prompted, and an SBCO Counselor will return your call.

In addition, banks and credit card companies may temporarily suspend other loan payments. Contact your lender.

### **The Emergency Family and Medical Leave Expansion Act:**

For a helpful Q & A, see [here](#).

Here is a summary:

The Act provides financial assistance to

employees who are unable to work due to the closure of a child's day care or school due to a Public Health emergency (the child must be 17 years of age or below). The employee will receive 2/3 of their salary capped at \$200 a day. The first ten days of leave is unpaid, but one may use paid sick leave or other paid time off (PTO). The employee cannot be forced to use PTO. The program lasts up to 12 weeks.

If an organization has completely closed and there is no work for employees, they cannot go on family leave.

If parts of the organization remained open, those employees who would otherwise still be working and who have work to do, but cannot due to the need to care for a child, are eligible for family leave.

Employers will be completely reimbursed as a tax credit.

This act does not apply to employers who have more than 500 employees.

### **Emergency Paid Sick Leave Act:**

The same [Q & A linked](#) before also provides guidance on this.

This Act provides financial assistance to an employee (as defined by the Fair Labor Standards Act) who is unable to work due to either:

- being subject to a quarantine or self-isolation order due to COVID-19 (the order can come from government or medical advice to do so); or,
- caring for a family member who is in quarantine or self-isolation; or
- closure of a school or childcare due to COVID-19 concerns.

If the employee went on sick leave because he or she was quarantined/self-isolated they are capped at \$511/day, and \$5,110 total.