

## The Coronavirus Aid, Relief, and Economic Security (CARES) Act

### Direct Monetary Payments

The government will send direct payments of up to \$1,200 for individuals, \$2,400 for couples, and \$500 per child.

- Single taxpayers with an adjusted gross income up to \$75,000 will receive \$1,200 in direct payments, as will joint filers up to \$150,000.
- Benefit decreases until eliminated for those making more than \$99,000 filing single or \$198,000 for those filing jointly.
- Social Security recipients, those with no taxable income, as well as those whose incomes are derived entirely from non-taxable programs, are still eligible for this relief as long as they have a work-eligible Social Security Number.
- 2019 tax filings will determine the amount of the payments to individuals and families. 2018 returns will be used for residents that did not file in 2019. For people who did not file a return in 2018 or 2019, IRS will use the information they have through the Social Security Administration or Railroad Retirement Board (SSA-1099/RRB-1099).

### Protections for Renters and Homeowners

- Prohibits landlords from evicting tenants for 120 days provided the landlord's mortgage is insured, guaranteed, supplemented, protected, or assisted in any way by HUD, Fannie Mae, Freddie Mac, the rural housing voucher program, or the Violence Against Women Act of 1994.
- Provides protections for single-family homeowners with federally backed mortgages (purchased by Fannie Mae/Freddie Mac, insured by HUD, VA, or USDA):
  - o Financial institutions are PROHIBITED from foreclosing on these properties for 60 days, beginning on March 18, 2020.
  - o Borrowers experiencing financial hardship related to the COVID-19 emergency may request up to 180 days of forbearance on their federally-backed mortgage.
- Supports multi-family owners of real property designed for five or more families with loans purchased, insured, or assisted by Fannie Mae, Freddie Mac, or HUD by providing up to 90 days of forbearance for those experiencing financial hardship.
  - o Borrowers receiving forbearance may not evict or charge late fees to tenants for the duration of the forbearance period.
- Find out if you qualify by visiting [Fannie Mae: Coronavirus \(COVID-19\) Help](#) and using [Fannie Mae's Loan Lookup Tool](#) or calling 1-800-2FANNIE (1-800-232-6643); or visiting [Freddie Mac: Extending Help to Homeowners Impacted by COVID-19](#) and using [Freddie Mac's Loan Lookup Tool](#) or calling 1-800-FREDDIE (1-800-373-3343).

### Help for Unemployed Individuals, Freelancers, and Gig Workers

This bill provides enhanced unemployment benefits for uninsured individuals and makes unemployment insurance available to non-traditional employees.

- Unemployed Connecticut residents will receive 4 months of state unemployment insurance and an additional \$600 per week.
- Nontraditional employees (gig workers and freelancers) and individuals not able to work because of the coronavirus will be eligible to receive unemployment insurance for up to 39 weeks.

### **Benefits for Student Loan Borrowers**

- Defers payments, principal, and interest for all federally-owned student loans through September 30, 2020.
- Provides \$30.75 billion in grants to support local school systems and higher education institutions, including additional grants for students who need additional financial aid and work-study payments for students unable to work due to work-place closure.
- If a student dropped out as a result of COVID-19, it excludes the term from counting toward lifetime subsidized loan eligibility and lifetime Pell Grant eligibility.
- Allows employers to contribute up to \$5,250 this year towards an employee's student loan debts tax-free.

### **Other Benefits and Protections for Individuals and Families**

**Credit Report Protection:** Your credit report will not be harmed if your borrower agrees to account forbearance and you keep up with the agreed-upon payment plan.

**Medicare Prescription Drugs:** Medicare Part D plans must provide up to a 90-day supply of a prescription medication for any beneficiary that needs assistance during the COVID-19 emergency period.

**Free COVID-19 vaccine guarantee:** When a COVID-19 vaccine becomes available, it will be provided for free to all Americans within 15 days.

**Penalty Free Withdrawals from Retirement Accounts:** Individuals may withdraw from qualified retirement plans without penalty. These distributions would be taxable over three years and can be re-contributed to the qualified retirement plan within the three year period without respect to normal contribution limits. CARES also waives required minimum distributions for certain defined contribution plans and IRAs.

### **Small Businesses**

#### **Small Business Administration**

- \$10 billion for SBA emergency grants of up to \$10,000 to provide immediate relief for small business operating costs.
- \$17 billion for SBA to cover six months of payments for small businesses with existing SBA loans.

- \$349 billion for SBA loan guarantees, which businesses can use for payroll support, such as for employee salaries, paid sick or medical leave, insurance premiums, mortgage, rent, and utility payments.
- Notably, the bill allows loan forgiveness equal to the amount spent by the borrower if businesses use them for this purpose.
- Sole-proprietors, independent contractors, and other self-employed individuals are also eligible for loans.
- Employers who previously applied for an SBA Economic Injury Disaster Loan are still eligible for 7(a) loans through SBA.

### **Employee Retention Tax Credit**

- Eligible employers can take advantage of a refundable payroll tax credit for 50 percent of wages paid by employers to employees during the COVID-19 crisis, provided they did not receive SBA payroll support loans.
- The credit is provided for the first \$10,000 of compensation, including health benefits, paid to an eligible employee
- The credit is generally available to employers whose operations were affected by COVID-19 and is based on qualified wages paid to the employee:
  - o For employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to the COVID-19-related circumstances described above.
  - o For eligible employers with 100 or fewer full-time employees, all employee wages qualify for the credit, whether the employer is open for business or subject to a shut-down order.

### **Delay of Payment of Employer Payroll Taxes**

- Allows employers to delay paying the employer share of payroll taxes
- Requires that the deferred employment tax be paid over the following two years

### **Funding to Fight the Pandemic**

Provides funding for the prevention of and response to the coronavirus pandemic, including:

- \$100 billion for hospitals and providers to purchase testing supplies and personal protective equipment (PPE), expand and train their working, and build and upgrade facilities.
- \$4.3 billion for federal, state and local public health agencies to purchase PPE, increase lab testing, and infection control and mitigation.
- \$4 billion for Community Health Centers.
- \$1 billion to bolster domestic supply chains to help industry quickly produce PPE, ventilators and other urgently needed medical supplies.

- \$200 million for Centers for Medicare and Medicaid Services, including \$100 million to help nursing homes battling community transmission of the coronavirus.
- \$80 million for the Food and Drug Administration to support the development of medical countermeasures, vaccines, advance domestic manufacturing for medical products, and monitor medical product supply chains.

### **Increased Funding for Key Programs**

- \$900 million for LIHEAP to help lower-income households heat and cool their homes.
- \$450 million for The Emergency Food Assistance Program (TEFAP) to assist food banks across the country.
- \$8.8 billion for child nutrition programs, such as the National School Lunch Program, School Breakfast Program, the Special Milk Program, the Child and Adult Care Food Program, and the Summer Food Service Program.
- \$15.8 billion for the Supplemental Nutrition Assistance Program (SNAP) to ensure vulnerable populations can access meals.
- More than \$7 billion for affordable housing, \$4 billion of which will assist individuals and families who are homeless or receiving homelessness prevention assistance to help combat the impacts of the coronavirus outbreak.
- \$1.25 billion for Section 8 vouchers to preserve Section 8 voucher rental assistance for seniors, the disabled, and low-income working families, who will experience loss of income from the coronavirus.
- \$1 billion for Project-Based Rental Assistance. This involves HUD directly contracting with private landlords to provide affordable homes to low-income tenants at certain properties.
- \$50 million for Housing for the Elderly. This funding provides capital advances to private, non-profit sponsors to finance the development of housing for elderly residents.
- \$15 million for Housing for People with Disabilities. These funds provide interest-free capital advances and operating subsidies to non-profit developers of affordable housing for persons with disabilities and provide project rental assistance to state housing agencies.