

COVID-19 Economic Impact Payments:

FAQs for Child Welfare Attorneys¹



The **Coronavirus Aid, Relief, and Economic Security Act**, also known as the **CARES Act**, is a federal statute intended to help mitigate the significant economic consequences of the COVID-19 epidemic.² Signed into law on March 27, 2020, the Act provides financial relief to individuals, organizations and businesses. This FAQ sheet summarizes NACC's current understanding of how the CARES Act (and related legislation) may impact youth and families in the child welfare system. It aims to provide child welfare practitioners with information that may be relevant to their clients and to raise awareness regarding eligibility for these payments.

Pursuant to the CARES Act, the federal government will provide:

- Up to \$1200 per **qualifying adult**. Qualifying adults are legal residents of the United States with social security numbers who are over 16 years of age and not claimed as a dependent by another individual. Payments for qualifying adults with incomes over \$75,000 will be decreased by \$5 for each additional \$100 earned until \$99,000 for a single tax filer.³
- \$500 for each **qualifying child**. Qualifying children are legal residents of the United States with social security numbers who will be under age 17 as of December 31, 2020, and who are claimed as a dependent by another tax filer. Youth with SIJS status are eligible.⁴

Frequently Asked Questions About CARES Act Payments and Children in Foster Care

Who Will Receive the Payment for a Qualifying Child in Foster Care?

Generally speaking, the payment will go to the caregiver who most recently claimed the child in a federal tax filing. For example, if the parent claimed the child as a dependent in 2018 tax filings, but that child is now in foster care (and no one has yet claimed the child in 2019 filings), the payment would still go to the parent. Conversely, if a foster parent claimed the child as a dependent in 2018 (and no one has yet claimed the child as a dependent in 2019 filings), then the foster parent will likely still receive the payment, even if the child is no longer residing in their home.⁵ Certain tax filers, such as VA and SSI recipients will not automatically be credited for a dependent child; if they did not make an online request prior to May 5th, 2020, they must wait to claim the additional amount when filing their 2020 tax return.⁶

¹ The National Association of Counsel for Children (NACC) is a child welfare membership association that does not specialize in tax law; therefore, this resource should not be construed as legal advice. Specific questions should be referred to a tax specialist. Due to the evolving nature of this response, the IRS is providing updated guidance on [its website](#). Practitioners should check there for the most current information.

² Pub.L. 116-136

³ Economic Impact Payment Information Center, Q. 1-3. <https://www.irs.gov/coronavirus/economic-impact-payment-information-center>

⁴ Id.

⁵ Economic Impact Payment Information Center, Q. 20. <https://www.irs.gov/coronavirus/economic-impact-payment-information-center>

⁶ See <https://www.irs.gov/newsroom/economic-impact-payments-continue-to-be-sent-check-irsgov-for-answers-to-common-questions>

How Will the IRS Issue Payments?

If the tax filer used direct deposit to receive a refund during their last tax filing, the IRS will use that same information. If not previously provided, the individual can do so now using the [Get My Payment](#) tool. Funds can also be mailed to the most recent address provided in tax filings.⁷ Updated address information can be conveyed while submitting 2019 tax returns, if they have not already been submitted.⁸ Generally, [IRS Form 8822](#) can be used to provide an updated address.⁹

Who is a “Dependent”?

A young person is considered a “dependent” if they (1) were under the age of 19 at the end of the tax year in question; (2) lived with a parent, foster parent, or sibling (or descendant of any of these) for more than half of that year (ex. 2018 or 2019); and (3) provided 50% or less of their own support during that time.¹⁰

What About Infants?

Payments for minor dependents are based on the last tax filing. Therefore, if a child was born after the time of the caregiver’s last tax filing (ex. tax filing in April 2019, but child born August 2019), an automatic payment will not be generated. However, the caregiver will be able to claim that child as a dependent through a tax credit on their 2020 tax returns.¹¹

What About Older Youth (17–21 years of age)?

A young person aged 17 or older who is not a dependent on someone else’s tax filing can apply for the \$1,200 economic impact payment. If their earnings are below \$12,200, they can apply using the [IRS Non-Filer Form](#).¹² If their earnings are higher, they will have to file a regular tax form. If the young person receives SSI, there are special considerations — see below.

What About College Students?

Full-time students under the age of 24 may or may not qualify for economic impact payments depending on whether they are considered a dependent.¹³ Additionally, the CARES Act allocated \$14 billion in emergency relief for institutions of higher education to provide cash grants to college students in need. Each educational institution may determine how to allocate these funds among students. Schools also have authority to continue to pay students participating in federal work-study programs if they are unable to work due to the COVID-19 pandemic. Payments and interest accrual on federal student loans is suspended through September 30, 2020.¹⁴

What About Older Youth Who Receive SSI?

Individuals with non-taxable, means-tested benefits such as SSI are eligible for the economic impact payments (if they have not been claimed by someone else as dependent, as noted above). Generally, the economic impact payment will be added to the SSI recipient’s monthly benefit.¹⁵ However, in many jurisdictions, the child welfare agency serves as the representative payee for a child who is an SSI recipient. Advocates should first examine the method through which the young person currently receives their SSI benefit and then inquire with their local agencies as to how these funds will be received and dispersed.

7 Economic Impact Payment Information Center, Q. 27. <https://www.irs.gov/coronavirus/economic-impact-payment-information-center>

8 Economic Impact Payment Information Center, Q. 33. <https://www.irs.gov/coronavirus/economic-impact-payment-information-center>

9 See <https://www.irs.gov/forms-pubs/about-form-8822-b>

10 “Access to Stimulus Payments for Young People.” National Network for Youth, Baker McKenzie, SchoolHouse Connection. <https://register.gotowebinar.com/register/1506679881681286923>

11 Economic Impact Payment Information Center, Q. 20. <https://www.irs.gov/coronavirus/economic-impact-payment-information-center>

12 “Non-Filers: Enter Payment Info Here Tool Scenarios.” <https://www.irs.gov/newsroom/non-filers-enter-payment-info-here-tool-scenarios>

13 Students should review their FAFSA submission to see whether they are listed as “independent.”

14 “First Wave of CARES Act Funding to Higher Education Institutions is Announced.” April 20, 2020. <https://www.jdsupra.com/legalnews/first-wave-of-cares-act-funding-to-87500/>

15 Economic Impact Payment Information Center, Q. 9. <https://www.irs.gov/coronavirus/economic-impact-payment-information-center>

How Does this Interact with Unemployment Compensation?

Economic impact payments are distinct from unemployment compensation. Individuals who have lost their jobs due to the public health crisis may also be eligible to apply for unemployment compensation. The Federal Pandemic Unemployment Compensation program (FPUC) provides an additional \$600 per week, above the baseline unemployment amount, to individuals who are eligible to collect unemployment compensation.¹⁶ Youth and caregivers may need legal referrals or assistance to access this program.

When is the Deadline?

There is no deadline. Individuals who have not yet filed income taxes for 2018 or 2019 may do so now to expedite their economic impact payment or may wait for it to be incorporated in their next tax filing.¹⁷

Additional Resources

NACC recommends these resources for additional information:

- [Congressman Danny K. Davis Guide for Grandfamily Caregivers on COVID-19 Stimulus Payments](#)
- Florida's Children First — ["I Need My Money Fast"](#)
- Youth Engaged 4 Change — ["Economic Impact Payments for COVID-19: The Basics"](#)
- IRS — ["Economic impact payments: What you need to know"](#)

Contact Policy@NACCchildlaw.org for further information. ■

¹⁶ "Unemployment Insurance Relief During COVID-19 Outbreak." <https://www.dol.gov/coronavirus/unemployment-insurance>

¹⁷ Congressman Danny K. Davis Guide for Grandfamily Caregivers on COVID-19 Stimulus Payments (updated April 18, 2020). https://www.grandfamilies.org/Portals/0/Documents/COVID/DavisL_GrandfamilyCaregiver_Guide_Rebates20200418%20%281%29.pdf

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To advance the rights, well-being, and opportunities of children impacted by the child welfare system through access to high-quality legal representation.