



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

Updated April 21, 2020

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](#). (These payments are also known as “[stimulus checks](#)” or “[stimulus payments](#).”) This Insight addresses the economic impact payments from the perspective of Social Security and Supplemental Security Income (SSI) beneficiaries.

## Overview of Economic Impact Payments

[Eligible individuals](#) can receive an economic impact payment of \$1,200 per person (\$2,400 for married joint filers) via direct deposit or a check by mail. Eligible individuals can also receive an additional \$500 for each eligible child under 17 years old who qualifies for the [child tax credit](#).

The economic impact payment 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 eligible children) with AGI above \$99,000 or married joint filers (with no eligible children) with AGI above \$198,000. A married couple with two eligible children is ineligible for an economic impact payment 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 economic impact payment. Taxpayers must provide a [Social Security number \(SSN\)](#) for themselves, their spouse (if married filing jointly), and any child for whom they claim the \$500 child payment, with some exceptions for adopted children and military families.

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IN11290

The economic impact payment is automatically advanced 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 advanced based on 2018 return information. For eligible individuals who were Social Security or Railroad Retirement 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 advance the \$1,200 payment using the information from their 2019 [Social Security Benefit Statement](#) or [Railroad Retirement Benefit Statement](#).

The economic impact payment 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 economic impact payment in 2020 does not affect a taxpayer's 2020 income tax liability or tax refund.

## Eligibility 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 economic impact payment 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.

## Actions Required of Certain Social Security and SSI Beneficiaries to Automatically Receive the Payments

Eligible individuals who filed an income tax return for 2018 or 2019, including Social Security and SSI beneficiaries, do not need to take any further action to receive the \$1,200 economic impact payment and the \$500 payment per qualifying child on the applicable tax return. Social Security and SSI beneficiaries who do not have dependent children, and who did not file a tax return for 2018 or 2019, also are not required to take any further action and are to receive their \$1,200 payment by direct deposit, Direct Express debit card, or paper check, just as they would normally receive their monthly benefits. However, [beneficiaries with qualifying children](#), as well as [new beneficiaries since January 1, 2020](#), who did not file an income tax return for 2018 or 2019 will need to take further action to automatically receive all payments for which they are eligible.

### *Social Security and SSI Beneficiaries Who Do Not Have Qualifying Children*

[Social Security and SSI beneficiaries who do not have qualifying children under 17 years old](#) are not required to take any action to receive the economic impact payment. The Treasury Department, Social Security Administration (SSA), IRS, and Bureau of the Fiscal Service have arranged for these beneficiaries to automatically receive the \$1,200 economic impact payment. This includes all beneficiaries without qualifying children, regardless of whether or not they filed a tax return for 2018 or 2019.

### *Beneficiaries Who Have Qualifying Children and Who Did Not File a Tax Return for 2018 or 2019*

**Social Security Beneficiaries.** Social Security beneficiaries who did not file an income tax return for 2018 or 2019 and who have qualifying children under 17 years old are to automatically receive the \$1,200

economic impact payment no later than the end of April. However, those beneficiaries need to take further action to automatically receive the \$500 payment per qualifying child. On April 20, 2020, the [IRS](#) and [SSA](#) announced that these beneficiaries need to provide dependent information **by noon Eastern time on April 22, 2020**, using the special IRS [Non-Filers: Enter Payment Info Here](#) tool. Beneficiaries who miss the April 22 deadline would be required to file a 2020 income tax return (in early 2021) to receive the \$500 payment per qualifying child. In general, some Social Security beneficiaries [are not required to file a federal income tax return](#) because their gross income is less than the filing requirement (generally, the standard deduction amount).

**SSI Recipients.** SSI recipients who did not file an income tax return for 2018 or 2019 and who have qualifying children under 17 years old also need to provide dependent information through the special IRS [Non-Filers: Enter Payment Info Here](#) tool. However, those recipients have some additional time beyond April 22 to enter their information. Economic impact payments are expected to be issued to SSI recipients by early May. Nonetheless, IRS recommends providing dependent information as soon as possible. Otherwise, SSI recipients would be required to file a 2020 income tax return (in early 2021) to receive the \$500 payment per qualifying child. In general, many SSI recipients are [not required to file a federal income tax return](#). SSI payments are not considered gross income for federal tax purposes under a limited [general welfare exclusion](#).

### *New Social Security or 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 will need to use the special IRS [Non-Filers: Enter Payment Info Here](#) tool to automatically receive their economic impact payment. Otherwise, those beneficiaries will be required to file a 2020 income tax return (in early 2021) to receive their payment.

## Additional Guidance

For additional guidance, see the following resources:

- IRS, [“Economic Impact Payments,”](#)
- IRS, [“Economic Impact Payment Information Center,”](#)
- IRS, [“How to Use the Tools on IRS.gov to Get Your Economic Impact Payment,”](#)
- IRS, [“Non-Filers: Enter Payment Info Here Tool Scenarios,”](#) and
- SSA, [“Social Security & Coronavirus Disease \(COVID-19\).”](#)

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