



COVID-19 and Social Insurance and Benefit Programs

Updated May 18, 2020—As states begin to open, the COVID-19 pandemic continues to impact individuals with disabilities who regularly access a series of public benefits. It also raises a variety of questions about the impact of the various federal and state legislative and administrative actions on these benefits. Key language in the Coronavirus Aid, Relief, and Economic Security (CARES) Act serves as a guidepost from which the impact on benefits can be better understood:

Notwithstanding any other provision of law, any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program or under any State or local program financed in whole or in part with Federal funds. —CARES Act, 26 U.S. Code § 6409

At this time, two additional pieces of legislation are moving through Congress to adjust provisions of the CARES Act and add additional stimulus to individuals and the economy at large. This document will deal with those bills if, and when, they are signed into law and we have been able to review their final provisions.

Supplemental Security Income (SSI)

Individuals who receive SSI need to be aware of several key elements related to the stimulus payment:

- Stimulus payments are NOT taxable.
- Stimulus payments received by the individual that are initiated through the Coronavirus Aid, Relief, and Economic Security (CARES) Act will not count as income in the calculation of the individual's SSI amount for that month (26 U.S. Code § 6409).
- Stimulus payments will not be counted as "resources" for a 12-month period following the receipt of the funds (26 U.S. Code § 6409).

I am not typically required to file a tax return. Can I still receive my payment?

Yes! Arrangements have been made for the stimulus payment to be paid directly to SSI recipients.

We know that SSI recipients who have bank direct-deposit information on file with SSA will receive their stimulus payment as a direct deposit to their bank account. Direct Express cardholders will **NOT** receive stimulus payments directly onto their Direct Express card. As directed on April 24, 2020, by the federal agencies involved with distribution of stimulus payments, Direct Express holders will receive a direct



deposit into their bank account on record with the IRS or will need to file an IRS non-filer form in order to receive payments for themselves and dependents. If a Direct Express card holder has no other bank account, the bank information section of the IRS “non-filer” form should be left blank and a paper check will be issued. The deadline for the SSI population to file non-filer documents, if required, was May 5, 2020. Stimulus payments should be received as early as May.

If a Direct Express card holder did not enter information into the IRS “non-filer” system before the May 5 deadline *or* that information was entered after the IRS began to process a stimulus payment, the payment will not be paid, or paid in full. The card holder must wait and file a “non-filer” form in the 2021 tax season.

Those SSI recipients who do have dependents, or do not receive payments via direct deposit, or do not regularly file taxes should [use the IRS non-filer link](#) (shown below this paragraph) to let the IRS know of their dependents so the proper stimulus payment can be processed. If these recipients have not met the May 5 filing deadline, they will likely receive the \$1,200 stimulus payment in the manner in which they receive current payments but will have to wait to file an IRS “non-filer” form in the 2021 tax season to seek \$500 dependent payments.

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

If any individual, regardless of how SSI benefits are received, missed the May 5 deadline, that person’s \$1,200 stimulus payment will still be issued, but the \$500 dependent “bump” will **NOT** be paid until tax forms or non-filer forms are filed during tax season 2021.

Stimulus payments to individuals with representative payees will be paid to the account on file with SSA if taxes were filed in 2018 or 2019. This is generally the account held by the representative payee. If no taxes were filed, the IRS and SSA are working to ensure that payments will be made to the account on record, again, usually the representative-payee held account, but have no set date for issuing payments.

It is important to note that stimulus payment funds are **NOT** SSA funds, and therefore, are not under the control and management of the representative payee. SSA has requested that representative payees use judgment when releasing stimulus funds to recipients with consideration of disabling impairments.

Who is a dependent?

Not all dependents, as that term is generally used, will receive a \$500 stimulus “bump.” The government is using a mix of the “qualifying child” and “Child Tax Credit” rules. As a result, a dependent for stimulus payment purposes must be all the following:

- Someone who you have claimed on your tax return or \$0 non-filer form
- Under the age of 17 and attending school
- Related to you by blood, marriage, or adoption
- Someone who cannot provide more than half of their own financial support during the tax year
- A U.S. citizen, U.S. national, or U.S. resident alien
- Someone who has lived with you for more than half of the year



In short, those people who are age 17–24 are NOT eligible for a dependent \$500 “bump.” They may be eligible for their own stimulus payment if they are not claimed as a dependent for tax purposes by anyone and have worked and filed taxes in 2018 or 2019, or they [use the non-filer IRS link](#).

Stimulus payment intercepts

We have been made aware that the banks are intercepting stimulus payments for those individuals who have defaulted on or have late private student loans, or who have overdue credit card payments or overdrawn bank accounts. Most recently, we have been informed that nursing homes have intercepted stimulus payments for Medicaid residents, claiming that these payments should be kept as cost of care.

If either event occurs, please contact your State Consumer Affairs Office, Elder Affairs Office, or your local legal services agencies for assistance. Some states will prevent banks from intercepting stimulus payments, and Elder Affairs may intercede with nursing home intercepts. The CARES Act does not support any of these intercepts.

The National Consumer Law Center has prepared an excellent paper on the intercept issue. It can be found at <https://library.nclc.org/protecting-against-creditor-seizure-stimulus-checks>.

Social Security Disability Insurance (SSDI), Disabled Widow(er) Benefits (DWB), Childhood Disability Benefits (CDB), and SSA Retirement

The stimulus payment will have no impact on any of these Title II benefits: SSDI, DWB, CDB, and SSA Retirement. These benefits are classified as insurance benefits and are NOT impacted by unearned income. In addition, the stimulus payments will NOT be taxable.

Please note that Title II benefits are SSA benefits. SSI benefits are federal welfare benefits. At any time when the CARES Act refers to “Social Security Benefits,” “SSI” is not included unless specifically stated by the statute.

If an SSDI recipient has dependents and has not filed taxes in 2018 and 2019, the recipient must use the [IRS non-filer tax link](#) to claim dependents’ stimulus checks. The deadline of April 22, 2020 was set as the filing deadline for this purpose; however, filing the claim for dependents’ checks can be on the IRS non-filer site but will not be paid until after the July 15, 2020, federal tax filing deadline or during the 2021 tax filing season.

Recipients who missed the April 22, 2020, IRS filing deadline in order to claim \$500 dependent checks must wait until the 2021 tax filing season to file a claim using the IRS “non-filer” form.

Supplemental Nutrition Assistance Program (SNAP)

There is no impact on SNAP benefits due to the receipt of a stimulus payment in accordance with 26 U.S. Code § 6409.

The impact of unemployment benefits and the \$600 Pandemic Unemployment Compensation (PUC) federal payments is being handled on a state-by-state basis. Some states are excluding both from



inclusion as income for SNAP purposes, some include only the state UI benefits, while others include both. For a general understanding of these issues see <https://www.fns.usda.gov/disaster/pandemic/covid-19>. For a state directory of the impact, see <https://www.fns.usda.gov/snap/state-directory>.

Housing and Urban Development (HUD)

There is no impact on HUD rent subsidies due to the receipt of the stimulus funds. Further, HUD housing does not consider an individual's resources. Only the income produced by the resource, bank interest, is considered by HUD. HUD has further stated that the \$600 weekly PUC UI payment will not be considered in rent calculations; however, state UI payments will be included when determining or adjusting rent amounts. ****Please check your state rules concerning state public housing in which an individual may be living.***

HUD has placed a temporary ban on evictions for non-payment of rent and for fees and penalties related to non-payment of rent, which applies to ALL tenants regardless of whether or not employment was affected by COVID-19. For rent non-payment situations, families or individuals must sign repayment agreements with the Public Housing Authority and begin to make payments when the ban is lifted.

HUD has also extended a "tailored set of mortgage payment relief options for single family homeowners with FHA-insured mortgages." "Effective immediately for borrowers with a financial hardship that makes them unable to pay their mortgage due to the COVID-19 National Emergency, mortgage servicers must extend deferred or reduced mortgage payment options—called forbearance—for up to six months, and must provide an additional six months of forbearance if requested by the borrower."¹

Medicaid

In all states that have accepted the [Federal Medical Assistance Percentage \(FMAP\)](#) 6.2% increase from the federal government (only NYS is in question but has issued a state directive not to terminate Medicaid benefits during the crisis), Medicaid recipients who received benefits before the COVID-19 crisis, or become eligible during the crisis, cannot be terminated from Medicaid. On a case-by-case basis, states may change the category or eligibility, e.g., from regular Medicaid to 1619(b) or Medicaid Buy-In for Working People with Disabilities (MBI-WPD), but terminations of coverage will not be allowed.

Medicare

The stimulus payment will have no impact on Medicare premiums or eligibility. Medicare Savings Plans (MSPs), those programs that see Medicaid paying all or part of Medicare premiums for Parts B and D, and in some cases co-pays and deductibles, will also not be impacted by the stimulus payments in accordance with above language (26 U.S. Code § 6409).

¹ U.S. Department of Housing and Urban Development. (2020, April 1). [HUD issues new CARES act mortgage payment relief for FHA single family homeowners](#). *HUD.gov Press Releases*.



Temporary Assistance for Needy Families (TANF)

In accordance with the language in 26 U.S. Code § 6409, the stimulus payment will have no impact on [TANF eligibility](#) or resource levels for a 12-month period from receipt of the funds.

Veterans Affairs (VA) Pension

In accordance with the language in 26 U.S. Code § 6409, the stimulus payment will have no impact on VA Pension eligibility or resource levels for a 12-month period from receipt of the funds. As with other traditional non-filers, VA Pensioners must [use the non-filer IRS site](#) to claim an individual or dependent stimulus payment. **The deadline for filing was May 5, 2020.** Disabled veterans receiving pension benefits who did not meet the May 5 deadline will have to wait until the 2021 tax season to file for benefits for themselves and/or their dependents.

Unemployment Insurance (UI)

According to the [US Department of Labor](#), the CARES Act, which was signed into law by President Trump on March 27, 2020, gives states the option of extending unemployment compensation to independent contractors and other workers who are ordinarily ineligible for unemployment benefits. You can [contact your state's unemployment office](#) to learn more about the availability of these benefits.

Each state is responsible for establishing its own UI benefits eligibility. In general, you qualify when you:

- Are unemployed through no fault of your own. In most states, this means you have separated from your last job due to a lack of available work.
- Meet work and wage requirements. You must meet your state's requirements for wages earned or time worked during an established period referred to as a "base period." In most states, this is usually the first four out of the last five completed calendar quarters before the time that your claim is filed. Some states may have relaxed this requirement as allowed by the CARES Act. Please check with your state's unemployment office.
- Are a self-employed individual or gig worker, like Uber and Lyft drivers, under the CARES Act provisions, and you meet your state's other UI criteria.
- Meet any additional state requirements. Find details of your [own state's program](#).²

COVID-19-related "good cause" reasons for stopping work

The new law means you may qualify for Unemployment Insurance if you are not working because:

- You were diagnosed with COVID-19 or you have symptoms.
- A member of your household was diagnosed with COVID-19.

² U.S. Department of Labor. (2020, April 2). [How do I file for unemployment insurance?](#)



- You are caring for a family or household member who tested positive or was diagnosed with COVID-19.
- You have primary responsibility for a child whose school or childcare is closed and you need to care for them.
- You have primary responsibility for a member of your household who needs care.
- Your employer or a government order told you to “self-quarantine.”
- You have been advised by a health care provider to self-quarantine.
- Your immune system is compromised due to a serious health condition.
- You have a reasonable belief that because of COVID-19 going to work could harm your health.
- You were scheduled to start work but you no longer have that job or you cannot go to work due to COVID-19.
- The head of your household died from the coronavirus so now the whole household depends on you for support.
- Your place of work closed or reduced your hours because of COVID-19.
- You had to quit your job because you tested positive for COVID-19 or you came into contact with someone who tested positive.

Important UI facts

- UI has been extended beyond the “normal” 26 weeks to 39 weeks with Pandemic Emergency Unemployment Assistance (PEUC). This extension will end December 31, 2020, regardless of the number of weeks over your state’s maximum that have been received. For example, if you have received 26 state weeks and are receiving your 4th federal extension week UI payment in the last week of December 2020, this will be your last payment.
 - Most states provide 26 weeks of UI. Massachusetts residents will receive 43 weeks as the Commonwealth provides 30 weeks of UI in normal circumstances. Check your state’s UI website for information concerning the number of weeks generally paid by your state.
 - If your state pays other than 26 weeks in normal circumstances, simply add 13 weeks to the number of state weeks of payment
- The CARES Act will provide UI benefits for self-employed individuals and gig workers, such as Uber or Lyft drivers (Pandemic Unemployment Assistance). It may also provide UI benefits to other non-traditionally eligible workers, as determined by each state.
- The federal government will also add \$600 per week to the maximum state UI benefit paid for 4 months until July 31, 2020 (Pandemic Unemployment Compensation). Thus, if your state maximum payment is \$450 per week, the weekly check will be \$1,045. There appears to be no variation in payment for those not receiving the maximum in a state, so until we receive other information, we must assume that the \$600 per week will be added to all UI amounts paid by the state.



- For workers with disabilities that will have to meet their state “base rate” (meaning that they have to have worked long enough and earned enough to be eligible for UI), see your [state’s UI website](#) for information concerning your state’s “base rate” requirements. Many state websites also have calculators to estimate payments.
- Self-employed and gig workers do not need to meet the state “base rate” in order to receive UI. Their benefits levels will be determined based upon last year’s tax filing. See your state’s unemployment website or call the office in your state to determine if workers who do not meet the state “base period” are considered eligible under the CARES Act.

Important UI and SSI facts

- SSI recipients are required to apply for any other benefit they may be eligible to receive when told of potential eligibility. The SSA Program Operations Manual System (POMS) states:
 - ✓ *SSA advises him/her, on a written, dated notice, of potential eligibility for other benefits; **and***
 - ✓ *He/she does not take all appropriate steps to file for and, if eligible, obtain any such payments within 30 days of receipt of such notice.*
- For an SSI recipient who meets their state’s UI “base period,” the potential of receiving \$2,400 plus the state UI benefit exists. SSI recipients could receive much more through the UI program than through the SSI program. Thus, they should be encouraged to apply ASAP for UI, as long as you have determined that they will be eligible for UI. Given that the maximum period of receipt of UI in any state is 43 weeks, SSI recipients will still be suspended when UI ends. Please note:
 - At the conclusion of the UI, the recipient **MUST** call SSA to have the SSI reinstated.
 - Any **EXCESS** resources held at the time reinstatement is requested will count toward the resource limit.
 - Achieving a Better Life Experience (ABLE) accounts or other protected savings mechanisms could be considered, if eligible, to ensure SSI resource rules are met.

Important UI and other benefits facts

UI is unearned income and may impact monthly SNAP awards, TANF awards, and VA Pension awards. Before a UI application is filed, please ensure that the math makes sense and all lost benefits will be accommodated by the state UI payment and the \$600 weekly federal payment. When the federal payment stops on July 31, 2020, be sure to report the loss of income to the administering agency for each benefit lost or reduced to allow that agency to increase the benefit payable.

In addition, HUD has issued a directive that UI benefits (issued by the state but not including the \$600 PUC kicker) will be considered as income for rent subsidy purposes. See https://www.hud.gov/sites/dfiles/Housing/documents/HUD_Multifamily_Corona_QA_FINAL.pdf

Be sure to note that UI benefits may be taxable depending upon one’s overall income situation. Those receiving UI benefits during this crisis should request that the Unemployment office withhold federal and state taxes in order to avoid potential tax debt in the 2021 tax filing period.



Medical Help for the Uninsured

The Secretary of Health and Human Services (HHS) announced on April 5, 2020, that money from the CARES Act would be set aside to meet the COVID-19-related medical expenses of the uninsured.

How will this work? Any medical provider/hospital accepting Medicare can agree to provide services to any uninsured person and will receive the Medicare rate of payment. However, the provider/hospital must agree NOT to bill the uninsured person for any remaining expenses.

Contracts for Coronavirus Relief Efforts

Federal contracts directly related to COVID-19 relief efforts will not be required to meet the DOL requirement that sets a goal for employment of “qualified individuals with disabilities” for a period of 3 months from March 17, 2020, to July 17, 2020.

Changes to SSA’s Essential Workload and COVID-19 Policies

On April 28, SSA was instructed that claims representatives can suspend benefits or process a work review to stop benefits if a recipient is working and earning SGA **and** requests that SSA take this action. The recipient or representative payee must make this request—no third-party requests will be accepted.

Due to potential delays created by the COVID-19 crisis, on April 24, SSA directed that if EXR Provisional Payments expire, the recipient may request that payments be made under existing “Dire Need” policies.



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Part 1: Social Security Disability Insurance and Supplemental Security Income and Work

Explore the principal benefits provided by the Social Security Administration (SSA), as well as related work incentives.

Part 2: The Effect of Work on Other Federal Programs

Review federal programs providing benefits to individuals with disabilities, including TANF, Workers Compensation, and Veterans Benefits. Plus learn how each relates to the others and is impacted by earned income.

Part 3: The Ins and Outs of Being a Benefits Practitioner

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