



'Ewa, 'Ewa Beach, Kapolei, Makakilo, Kalaeloa, Honokai Hale, Ko 'Olina, Nanakuli, Ma'ili, Wai'anae, Makaha, Kea'au, Makua

KYMPINE



HONOLULU CITY COUNCIL MEMBER

Federal Corona Virus Stimulus Package Summarized

On Wednesday, the Senate passed a \$2 trillion dollar coronavirus stimulus package to help get Americans back on their feet and to get the economy going again after this devastating halt.

The House of Representatives is expected to pass it on Friday so it can quickly go to President Trump for his signature and become law.

The Bill Includes Many Ways to Support Individuals and Businesses:

Direct Payments to Individuals

Single Americans would receive \$1,200, married couples would get \$2,400 and parents would see \$500 for each child under age 17. However, the payments would start to phase out for individuals with adjusted gross incomes of more than \$75,000, and those making more than \$99,000 would not qualify at all. The thresholds are doubled for couples.

Student Loan Payments Suspended

The Department of Education would suspend payments on student loan borrowers without penalty through September 30, according to the bill. CNN reported last week that the Department of Education was planning to allow student loan borrowers to suspend payments without penalty and accruing interest for at least 60 days.

Real ID Deadline Delayed

The deadline to obtain a Real ID, the federally mandated identification that will be needed for passengers to board aircraft, was supposed to begin October 1st, but will now be extended until at least September 2021.

Expanded unemployment benefits

The federal government will give jobless workers an extra \$600 a week for four months on top of their state benefits, which range from \$200 to \$550 a week, on average, depending on the state. It will also add 13 weeks of extended benefits from the federal government. Currently, state unemployment checks last up to between 12 weeks and 28 weeks, depending on the state.

\$500 billion lending program for business

The Treasury Department now has \$500 billion for loans, loan guarantees and investments, including \$454 billion for loans to businesses, states and municipalities. Businesses may not issue dividends for up to a year after the loan is no longer outstanding, and must retain 90% of employment levels as of March 24, "to the extent practicable," through September 30. The loans also cannot last longer than five years.

There's a specific provision in the program for direct loans to mid-sized businesses, defined as between 500 and 10,000 employees, as well as non-profit organizations, where no payments will be due for the first six months after the loan is issued.

Federal Elected Officials Ineligible

The legislation prohibits federally elected officials and their immediate relatives from obtaining funds from the \$500 billion program.

Federal Program Funding

The Defense Department will get \$1.2 billion for the National Guard's coronavirus response. Over 10,000 National Guard members have been activated to date. An additional \$1 billion is available for purchases through the Defense Purchases Act. It prohibits transferring the money to the Counter-Drug Account, an account which has been used to fund Trump's border wall.

Financial Support for Airlines and Airports

The package includes \$25 billion for passenger airlines, \$4 billion for air cargo carriers, and \$3 billion for industry contractors, such as those who handle catering, baggage, ticketing, and aircraft cleaning. In addition, another \$25 billion for passenger airlines and \$4 billion for air cargo carriers will be available in the form of loans or loan guarantees.

Companies that receive the assistance are barred from making furloughs, pay cuts, or stock buybacks, and from issuing dividends to investors, through September. It also institutes limits on executive compensation.

Airlines may also be required to operate routes they would otherwise like to cancel because of low ridership or profitability. Under the bill, the Transportation Department can require air carriers to continue service on routes, particularly for the "needs of small and remote communities and the need to maintain well-functioning healthcare and pharmaceutical supply chains, including for medical devices and supplies."

Financial Support for Hospitals

The stimulus package would provide about \$117 billion for hospitals. The bill creates a \$100 billion public health and social emergency fund to reimburse providers for expenses and lost revenues related to the coronavirus pandemic. About \$65 billion will go to hospitals, with the rest funneled to doctors, nurses, suppliers and others, the association said.

Payments for Medicare and Medicaid Patients

The legislation also boosts reimbursements by 20% for treating Medicare patients with coronavirus. And it eliminates \$8 billion in scheduled payment reductions to hospitals caring for large numbers of uninsured and Medicaid patients, as well as temporarily removing a 2% cut for treating Medicare patients.

Contractors and 'gig' workers

Independent contractors and so-called gig workers will be eligible to receive federal aid under a new pandemic unemployment assistance program, which would provide jobless benefits to those who are unemployed, partially unemployed or unable to work because of the virus and don't qualify for traditional benefits. This includes independent contractors and the self-employed, who typically don't qualify for such assistance, and to gig economy workers, who aren't eligible in many states. These benefits mirror what's available in an individual's state.

Protections against foreclosures and evictions

Anyone facing a financial hardship from coronavirus shall be given a forbearance, or a break, on a federally backed mortgage loan of up to 60 days, which can be extended for four periods of 30 days each. Servicers of federally backed mortgage loans may not begin the foreclosure process for 60 days from March 18.

The bill also does not allow fees, penalties or additional interest to be charged as a result of delayed payments. It includes similar protections for those with multifamily federal

mortgage loans, allowing them to receive a 30-day forbearance and up to two 30-day extensions.

Those with federally backed mortgage loans who have tenants would also not be allowed to evict tenants solely for failure to pay rent for a 120-day period, and they may not charge fees or penalties to tenants for failing to pay rent.

More funding for food assistance

The bill provides \$450 million for The Emergency Food Assistance Program, which supplies food banks. \$350 million would buy additional food, and \$100 million would be used for distribution.

It provides \$200 million for food assistance for Puerto Rico and other US territories, as well as \$100 million for food distribution on American Indian reservations.

While it appears that the bill provides billions in additional funding for the Supplemental Nutrition Assistance Program (SNAP, or food stamps) and Child Nutrition Program, it would not expand eligibility or benefits.

Peace Corps, diplomatic programs and refugees

The bill includes \$88 million for the Peace Corps, an independent US government agency that sends American volunteers abroad.

In addition, the measure provides an additional \$324 million for diplomatic programs, \$258 million for international disaster assistance, \$350 million for migration and refugee assistance and \$95 million for USAID operating expenses.

(See <https://www.cnn.com/2020/03/25/politics/stimulus-package-details-coronavirus/index.html> for more info)

Read the full bill here: <https://www.documentcloud.org/documents/6819239-FINAL-FINAL-CARES-ACT.html>

Frequently Asked Questions

How large would the payments be?

Single Americans would receive \$1,200, married couples would get \$2,400 and parents would see \$500 for each child under age 17. However, the payments would start to phase out for individuals with adjusted gross incomes of more than \$75,000, and those making more than \$99,000 would not qualify at all. The thresholds are doubled for couples.

How many payments would there be?

Just one. Future bills could order up additional payments, though.

How do I know if I will get the full amount?

It depends on your income. Single adults with Social Security numbers who are United States residents and have an adjusted gross income of \$75,000 or less would get the full amount. Married couples with no children earning \$150,000 or less would receive a total of \$2,400. And someone filing as head of household would get the full payment if they earn \$112,500 or less.

Above those income figures, the payment decreases until it stops altogether for single people earning \$99,000 or married people earning \$198,000.

In any given family and in most instances, everyone must have a valid Social Security number. There is an exception for members of the military.

You can find your adjusted gross income on line 8b of the 2019 1040 federal tax return.

What year's income should I be looking at?

2019. If you haven't prepared a tax return yet, you can use your 2018 return. If you haven't filed that yet, you can use a 2019 Social Security statement showing your income.

What if my recent income made me ineligible, but I anticipate being eligible because of a loss of income in 2020? Do I get a payment?

The bill does not appear to help people in that circumstance, but there are many other provisions in the legislation. You may be able to file for unemployment or for one of the new loans for small business owners or sole proprietors.

Would I have to apply to receive a payment?

No. If the Internal Revenue Service already has your bank account information, it would transfer the money to you via direct deposit

When would they arrive?

Treasury Secretary Steven Mnuchin said that he expected most people to get their payments within three weeks.

If my payment doesn't come soon, how can I be sure that it wasn't misdirected?

According to the bill, you would get a paper notice in the mail no later than a few weeks after your payment has been disbursed. That notice would contain information about where the payment ended up and in what form it was made. If you couldn't locate the payment at that point, it would be time to contact the I.R.S. using the information on the notice.

What if I haven't filed tax returns recently, would that affect my ability to receive a payment?

It could. File a return immediately, at least for 2018, according to the I.R.S. website. "Those without 2018 tax filings on record could potentially affect mailings of stimulus checks," the site says.

If you're worried about money that you owe that you cannot pay, the I.R.S. recommends consulting a tax professional who can help you request an alternative payment plan or some other resolution.

Would most people who are receiving Social Security retirement and disability payments each month also get a stimulus payment?

Yes.

Would eligible unemployed people get these stimulus payments? Veterans?

Yes and yes.

If my income tax refunds are currently being garnished because of a student loan default, would this payment be garnished as well?

No.

Unemployment Benefits

Who would be covered by the expanded program?

The new bill would wrap in far more workers than are usually eligible for unemployment benefits, including self-employed people and part-time workers. The bottom-line: Those who are unemployed, partially unemployed or who cannot work for a wide variety of coronavirus-related reasons would be more likely to receive benefits.

How much would I receive?

It depends on your state.

Benefits would be expanded in a bid to replace the average worker's paycheck, explained Andrew Stettner, a senior fellow at the Century Foundation, a public policy research group. The average worker earns about \$1,000 a week, and unemployment benefits often replace roughly 40 to 45 percent of that. The expansion would pay an extra amount to fill the gap.

Under the plan, eligible workers would get an extra \$600 per week on top of their state benefit. But some states are more generous than others. According to the Century Foundation, the maximum weekly benefit in Alabama is \$265, but it's \$450 in California and \$681 in New Jersey.

So let's say a worker was making \$1,100 per week in New York; she'd be eligible for the maximum state unemployment benefit of \$435 per week. Under the new program, she gets an additional \$600 of federal pandemic unemployment compensation, for a total of \$1,035, or nearly all of her original paycheck. States have the option of providing the entire amount in one payment, or sending the extra portion separately. But it must all be done on the same weekly basis.

Are gig workers, freelancers and independent contractors covered in the bill?

Yes, self-employed people would be newly eligible for unemployment benefits.

Benefit amounts would be calculated based on previous income, using a formula from the Disaster Unemployment Assistance program, according to a congressional aide.

Self-employed workers would also be eligible for the additional \$600 weekly benefit provided by the federal government.

What if I'm a part-time worker who lost my job because of a coronavirus reason, but my state doesn't cover part-time workers. Would I still be eligible?

Yes. Part-time workers would be eligible for benefits, but the benefit amount and how long benefits would last depend on your state. They would also be eligible for the additional \$600 weekly benefit.

What if I've been diagnosed with COVID-19 or I need to care for a family member who has?

If you've been diagnosed, are experiencing symptoms or are seeking a diagnosis — and you're unemployed, partially unemployed or cannot work as a result — you would be covered. The same goes if you must care for a member of your family or household who has received a diagnosis.

What if my child's school or daycare shut down?

If you rely on a school, day care or another facility to care for a child, elderly parent or another household member so that you can work — and that facility has been shut down because of coronavirus — you would be eligible.

What if I've been advised by a health care provider to quarantine myself because of exposure to coronavirus? And what about broader orders to stay home?

People who must self-quarantine would be covered. The legislation also says that individuals who are unable to get to work because of a quarantine imposed as a result of the outbreak would also be eligible.

I was about to start a new job and now can't get there because of an outbreak.

You'd be eligible for benefits. You would also be covered if you were immediately laid off from a new job and did not have a sufficient work history to qualify for benefits under normal circumstances.

I had to quit my job as a direct result of coronavirus. Would I be eligible to apply for benefits?

It depends. Let's say your employer didn't lay you off but you had to quit because of a quarantine recommended by a healthcare provider, or because your child's day care closed and you're the primary caregiver. Situations like that are covered.

But this provision wasn't intended to cover people who quit (or want to quit) because they fear that continuing to work puts them at risk of contracting coronavirus, according to congressional aides.

My employer shut down my workplace because of coronavirus. Would I be eligible?

Yes. If you are unemployed, partially unemployed or unable to work because your employer closed down, you would be covered under the bill.

The breadwinner of my household has died as a result of coronavirus. I relied on that person for income, and I'm not working. Would that be covered?

Yes.

Who would the bill leave out?

Workers who are able to work from home, and those receiving paid sick leave or paid family leave would not be covered. New entrants to the workforce who cannot find jobs would also be ineligible.

How long would the payments last?

Many states already provide 26 weeks of benefits, though some states have trimmed that back while others provide a sliding scale tied to unemployment levels.

The bill would provide all eligible workers with an additional 13 weeks. So participants in states with 26 weeks would be eligible for a total of 39 weeks. The total amount cannot exceed 39 weeks, but it may be shorter in certain states.

The extra \$600 payment would last for up to four months, covering weeks of unemployment ending July 31.

How long would the broader program last?

Expanded coverage would be available to workers who were newly eligible for unemployment benefits for weeks starting on Jan. 27, 2020 and through Dec. 31, 2020.

My unemployment recently ran out — could I sign up again?

Yes. If you've exhausted your benefits, eligible workers could generally reapply. But how much you would get and for how long would depend on the state where you worked. Everyone would get at least another 13 weeks, along with the extra \$600 payment.

Would this income disqualify me from any other programs?

Maybe. The additional \$600 benefit would count as income when determining eligibility for means-tested programs, except for Medicaid and the Children's Health Insurance Program, known as CHIP.

How long would I need to wait for benefits?

States have been incentivized to waive the one-week waiting period, but it's unclear how long it would take to process claims — especially with state offices so strained by a flood of claims.

Student Loans

The federal government has already waived two months of payments and interest for many federal student loan borrowers. Is there a bigger break now with the new bill?

Yes. Until Sept. 30, there will be automatic payment suspensions for any student loan held by the federal government. Borrowers are encouraged to login to their accounts online to check the status of their loans and to ensure that lenders have delayed payments. Call times are extremely long at this time for loan providers so online transactions are typically faster.

Once you are logged in, look for the current amount due. There, you should be able to see if the servicer has reset its billing systems so that you are showing no payment due.

How do I know if my loan is eligible?

If you've borrowed money from the federal government — a so-called direct loan — in the past 10 years, you're definitely eligible. According to the Institute for College Access & Success, 90 percent of loans (in dollar terms) will be eligible.

Older Federal Family Educational Loans (F.F.E.L.) that the U.S. Department of Education does not own would not be eligible, nor would Perkins loans, loans from state agencies, or loans from

private lenders like Discover, Sallie Mae and Wells Fargo. The holders of all those kinds of loans may be offering their own assistance programs.

Within a few weeks of the bill becoming law, you are supposed to receive notice indicating what has happened with your federal loans. You can choose to keep paying down your principal if you want. Then, after Aug. 1, you should get multiple notices letting you know about the cessation of the suspension period and that you may be eligible to enroll in an income-driven repayment plan.

Will my loan servicer charge me interest during the six-month period?

The bill says that interest “shall not accrue” on the loan during the suspension period.

At the end of the suspension, keep a close eye on what your loan servicer does (or does not do) to put you back into your previous repayment mode. Servicer errors are common.

Will the six-month suspension cost me money, since I’m trying to qualify for the public service loan forgiveness program by making 120 monthly payments?

No. The legislation says that your payment count will still go up by one payment each month during the six-month suspension, even though you will not actually be making any payments. This is true for all forgiveness or loan-rehabilitation programs.

Is wage garnishment that resulted from being behind on my loan payments suspended during this six-month period?

Yes. So is the seizure of tax refunds, the reduction of any other federal benefit payments and other involuntary collection efforts.

Are there changes to the rules if my employer repays some of my student loans?

Yes. Some employers do this as an employee benefit. Between the date the bill is signed and the end of 2020, they can offer up to \$5,250 of assistance without that money counting as part of the employee’s income. If the employer pays tuition for classes an employee is taking, that money will also count toward the \$5,250.

(See <https://www.nytimes.com/article/coronavirus-stimulus-package-questions-answers.html> for more info)