CPA Practice **Advisor**

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Recipients will Receive Theirs soon

Payments will begin to be issued this weekend to Social Security recipients and other federal beneficiaries who do not normally file a tax return, with the projection that the majority of these payments would be sent electronically and received on April 7

Mar. 30, 2021



As work continues on issuing millions of Economic Impact Payments to Americans, the Internal Revenue Service and Treasury Department says they anticipate payments will begin to be issued this weekend to Social Security recipients and other federal beneficiaries who do not normally file a tax return, with the projection that the majority of these payments would be sent electronically and received on April 7. After receiving data from the Social Security Administration on Thursday, March 25,

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last year were issued Economic Impact Payments, if eligible, during the last three weeks. The update today applies to Social Security, Supplemental Security Income (SSI), and Railroad Retirement Board (RRB) beneficiaries who did not file a 2019 or 2020 tax return or did not use the Non-Filers tool.

"IRS employees are working tirelessly to once again deliver Economic Impact Payments to the nation's taxpayers as quickly as possible," said IRS Commissioner Chuck Rettig. "Our teams immediately began processing data we received last week for federal benefit recipients. We know how important these payments are, and we are doing everything we can to make these payments as fast as possible to these important individuals."

The Get My Payment tool is updated for eligible individuals once their payment is processed. The IRS notes that the Get My Payment tool on IRS.gov will not be updated until the weekend of April 3-4 with information for federal beneficiaries expecting payments next week.

The IRS continues to review data received for Veterans Affairs (VA) benefit recipients and expects to determine a payment date and provide more details soon. Currently, the IRS estimates that Economic Impact Payments for VA beneficiaries who do not regularly file tax returns could be disbursed by mid-April. VA beneficiary payment information will be available in the Get My Payment tool at a future date.

Federal benefit payments automatic; no action for most

Most Social Security retirement and disability beneficiaries, railroad retirees and recipients of veterans benefits who are eligible for an Economic Impact Payment do not need to take any action to receive a payment. These payments will be automatic. Like the previous Economic Impact Payments, Social Security and other federal beneficiaries will generally receive this third payment the same way that they receive

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Payment

The IRS emphasizes that federal benefit recipients in these groups who file tax returns already started to receive Economic Impact Payments earlier this month, along with other taxpayers.

Because some federal benefit recipients do not file tax returns, the IRS did not have in its tax systems the current information needed to generate the Economic Impact Payments. Last year, the IRS took the unprecedented step to receive and review data from other federal agencies and use that data to deliver payments automatically to these recipients. This action – which had never occurred in previous stimulus efforts – minimized risk and burdens for the American public during the pandemic. Due to regular changes in the federal benefits population, the IRS needed to receive updated information this month from other government agencies. With these critical updates, eligible federal benefit recipients who don't normally file an income tax return will get a payment automatically in the next few weeks.

Making these automatic payments to federal beneficiaries involves a complex, multistep process to handle recipient data from the other agencies. For the first round of Economic Impact Payments last year, recipients in these groups received payments within four to six weeks after the CARES Act was signed into law. For the American Rescue Plan signed March 11, the IRS projects that it is on track to deliver Economic Impact Payments to federal beneficiaries at the same or faster speed.

More details on this third round of Economic Impact Payments and federal benefit recipients will be available soon on IRS.gov.

Other work continues on Economic Impact Payments; watch mail for checks, EIP Cards In addition to work for federal benefit recipients, the IRS also continues to prepare

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different than earlier stimulus payments. More people are receiving direct deposits, while those receiving payments in the mail may receive either a paper check or an EIP Card – which may be different than how they received their previous Economic Impact Payments.

Special reminder for those who don't normally file a tax return

People who don't normally file a tax return and don't receive federal benefits may qualify for these Economic Impact Payments. This includes those experiencing homelessness, the rural poor, and others. For those eligible individuals who didn't get a first or second Economic Impact Payment or got less than the full amounts, they may be eligible for the 2020 Recovery Rebate Credit, but they'll need to file a 2020 tax return. See the special section on IRS.gov: Claiming the 2020 Recovery Rebate Credit if you aren't required to file a tax return.

Free tax return preparation is available for qualifying people.

The IRS reminds taxpayers that the income levels in this new round of Economic Impact Payments have changed. This means that some people won't be eligible for the third payment even if they received a first or second Economic Impact Payment or claimed a 2020 Recovery Rebate Credit. Payments will begin to be reduced for individuals making \$75,000 or above in Adjusted Gross Income (\$150,000 for married filing jointly). The payments end at \$80,000 for individuals (\$160,000 for married filing jointly); people with Adjusted Gross Incomes above these levels are ineligible for a payment.

Individuals can check the Get My Payment tool on IRS.gov to see the payment status of these payments. Additional information on Economic Impact Payments is available on IRS.gov.

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