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# What the CARES Act Means for Individuals



The Coronavirus Aid, Relief and Economic Security Act, also known as the CARES Act, was signed into law on March 27, 2020, to provide much-needed help to both businesses and individuals. This document provides an overview of how the Act helps individuals with cash flow.

## Rebate Checks for Individuals and Joint Taxpayers

The CARES Act provides a tax credit in the form of a rebate check to individuals based on their most recent tax filing. Individuals will receive up to \$1,200 while joint taxpayers will receive up to \$2,400. Furthermore, taxpayers will receive an additional \$500 for each qualifying child.

The amount of the checks will be based on your most recent tax filing for the tax year 2018 or 2019. If your Adjusted Gross Income was \$75,000 or less for individuals, \$112,500 or less for Head of Household, or \$150,000 or less for married filing jointly, you should be eligible for the full amount.

However, after those limits, the amount of the check gets reduced until your income exceeds the maximum limits. If your adjusted gross income was greater than \$99,000 for individuals, \$146,500 for head of household or \$198,000 for married filing jointly with no kids, you will not receive anything.

Taxpayers with little or no income tax liability, but at least \$2,500 of qualifying income, are eligible for a minimum rebate check of \$600 for an individual and \$1,200 if married filing jointly. Qualifying income includes earned income, as well as Social Security retirement benefits and certain compensation and pension benefits paid to veterans. This ensures relief gets to low-income seniors and disabled veterans.

The amount of the rebate checks will be based on your most recent tax return and then reconciled when you file your 2020 tax return. However, if your income increases in 2020 such that you would not qualify for the full rebate that you received, there is no clawback provision.

If you have not filed your 2019 tax return and your address has changed or if your income was significantly lower in 2019 than 2018, you should consider filing your 2019 return now.

# Unemployment Payments

Unemployment payments will be increased by \$600 per week per recipient for the next four months through July 31, 2020. The bill also extends benefits to workers not usually eligible for benefits such as self-employed workers, independent contractors and those with limited work history.

For states that don't provide unemployment benefits for the first week of unemployment, the federal government will fully fund that first week of unemployment benefits if the state repeals the provision. Furthermore, the federal government will fund an additional 13 weeks of unemployment benefits through December 31, 2020, after workers have run out of state unemployment benefits.

# Penalty Waived for Early Retirement Withdrawal

The CARES Act waives the 10-percent early withdrawal penalty for distributions up to \$100,000 from qualified retirement accounts such as an IRA, 401k or other qualified trusts, certain deferred compensation plans, and qualified annuities for COVID-19-related purposes.

Taxpayers that receive a COVID-19-related distribution have three years, instead of the normal 60 days to repay the distribution to their IRA or other eligible retirement plan.



Company

It is a process and achieve your target. Marketing plan should show you how you are going to work with your target.

Lastly, marketing plan should be assessed in order for you to know what's beneficial and

Opportunities to increase sales and achieve the company's target.

	2014	2015	2016
Electronics	96,017	8,714	39,612
Clothes & Fashion	119,283	107,812	108,287
Home Living	47,029	89,916	61,938
Kids Products	67,173	81,120	189,128
Medical	8,714	9,018	10,283
Others	99,918	78,911	47,629
			107,812

## Retirement Plan

**Your Personal**

Name  Unit No.  Street No.  Street   
Date of birth  Town/City/Suburb  State  Post Code   
Gender  Male  Female  
Nationality  Country

### DEPLOYMENT

- 1 Putting your strategy into action is how your marketing plan should work.  Yes  No
- 2 The objectives are based on how you gain sales by acquiring and keeping customers.  Yes  No
- 3 Marketing plan's goal is to increase sales and achieve advantage over other competitors.  Yes  No
- 4 It is a process to allow an organization to focus resources on the greatest opportunities to increase sales and achieve the company's target.  Yes  No
- 5 You should consider on thinking what your customers need you to be.  Yes  No
- 6 You should have the details on how your sales are followed up and the activities your doing to develop your offers.  Yes  No
- 7 The marketing plan should be innovative.  Yes  No
- 8 You should consider on thinking what your customers need you to be.  Yes  No

## Retirement Plan Loans

Normally, an employee cannot borrow more than the lesser of 50% of their vested account balance or \$50,000 from their employer-sponsored retirement plan. The CARES Act provides a 180-day window that raises the limit to \$100,000 and eliminates the 50% account balance limit. And, there is no requirement that the loan be COVID-19-related.

For existing retirement plans, loan payments that would come due between now and Dec. 31, 2020, the CARES Act allows employees to take an additional year to make those repayments.

## Temporary Waiver of Required Minimum Distribution Rules for Certain Retirement Plans and Accounts

The CARES Act provides for a one-year waiver of the payment of required minimum distributions from defined contribution plans and IRAs. The waiver applies to both 2019 RMDs and RMDs that would have been required for 2020. Because the Act waives RMD payments from IRAs and defined contribution plans for 2020, you can rollover any such RMDs received in 2020 to an IRA or other qualified employer plan. The 60-day rollover rule will apply, subject to future IRS guidance.

## Student Loan Payment Relief

Under the CARES Act, employers are able to make student loan payments on behalf of their employees tax-free, up to \$5,250 annually. This means that if your employer makes student loan payments, those payments are excluded from your taxable income. Only loan payments made between March 27, 2020 and January 2021 are eligible.

# Charitable Contributions

The CARES Act encourages Americans to contribute to churches and charitable organizations in 2020 by permitting them to deduct up to \$300 of cash contributions, whether they itemize their deductions or not.

The provision increases the limitations on deductions for charitable contributions by individuals who itemize. For individuals, the 60-percent of adjusted gross income limitation is suspended for 2020.

## Next Steps

Be sure to call us with any questions or to discuss how the provisions may impact your specific situation.





## About Your Firm LLC

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We have the expertise and the resources to provide not only the critical services you need during these evolving economic times, but also, importantly, to build for the future. Our strategic alliances with professional organizations across the country allow us to bring our clients the talent and expertise of national firms with the high-touch service of a local firm. While we remain focused on the core services of tax, accounting and audit, we expand and offer you the business consulting needed to remain competitive. We believe the success of our clients is the greatest measure of our own.



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