

**An Overview  
of the  
Coronavirus Aid, Relief, and Economic Security (CARES) Act**

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## **Help for Small Businesses, Nonprofit Organizations, Sole Proprietors, Independent Contractors, and the Self-Employed**

The CARES Act is Congress's third legislative response to the COVID-19 pandemic. The bill provides more than \$375 billion in small business relief, including \$349 billion in forgivable loans to help small businesses pay their employees and keep them on the payroll; \$17 billion for debt relief for current and new borrowers; and \$10 billion in immediate disaster grants.

The Small Business Committee has created an excellent [Resource Guide](#) to help you navigate the various small business provisions of the CARES Act, including the assistance summarized below. Click [HERE](#) to view the Resource Guide and click [HERE](#) for a flow chart with counseling resources and basic information about the Paycheck Protection Program and EIDL Grants.

### **Paycheck Protection Program**

- The CARES Act establishes the Paycheck Protection Program (PPP), which will provide small businesses and other entities with guaranteed, low interest, zero-fee loans of up to \$10 million, with repayment deferred for at least six months. Forgiveness for up to 100% of the loan is possible if the borrower has retained the same number of employees as when they received the loan. Principal and interest can be deferred for up to one year and all borrower fees are waived.
- Eligible entities include small and medium sized businesses with up to 500 employees, non-profits, sole proprietors, independent contractors, and the self-employed.
- The SBA will be posting information on eligibility, application requirements, and more on its website [HERE](#).

### **Emergency Economic Injury Funds**

- The CARES Act provides \$10 billion to expand the SBA's disaster loan program to cover small businesses, private nonprofits, sole proprietors, independent contractors, cooperatives, employee-owned businesses, the self-employed, and tribal businesses.
- The bill includes \$10 billion to provide an advance of \$10,000 to small businesses and nonprofits that apply for an SBA Economic Injury Disaster Loan (EIDL) within three days of applying for the loan. EIDLs are low-interest (3.75-percent for companies and 2.75-percent for nonprofits) loans for up to \$2 million that may be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.
- The EIDL grant does not need to be repaid (even if the grantee is subsequently denied an EIDL) and may be used to provide paid sick leave to employees, maintain payroll, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments. Eligible grant recipients must have been in operation on January 31, 2020.
- To learn more or to apply for an advance on your EIDL, please [visit the SBA's website](#) to complete a new, streamlined application. In order to qualify for the advance, you need to submit this new application even if you previously submitted an EIDL application.

## Financial Relief

- **Debt Relief for Existing and New SBA Borrowers:** the CARES Act includes a provision that would offer immediate relief to small businesses with standard SBA 7(a), 504, or microloans. Under this provision, SBA will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out an SBA loan within six months after the President signs the bill. The measure also encourages banks to provide further relief to small business borrowers by allowing them to extend the duration of existing loans beyond existing limits; and enables small business lenders to assist more new and existing borrowers by providing a temporary extension on certain reporting requirements. Each loan program has different requirements, so visit the SBA's website [HERE](#) for more details.
- **Bankruptcy Protections:** the CARES Act expands the eligibility for small businesses to file for bankruptcy protections during the crisis. Previously, a small business could not have more than \$2.7 million in debt in order to qualify for a streamlined bankruptcy process. Under the CARES Act, amount is increased to \$7.5 million to help small businesses that need to reorganize due to the COVID-19 pandemic.

## Small Business Tax Provisions

- **Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship:** An employee retention tax credit is available for struggling businesses that are not eligible or choose not to participate in the new SBA Paycheck Protection Program. This provision of the CARES Act provides a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings. Learn more [HERE](#).
- **Delay of Payment of Employer Payroll Taxes:** This provision would allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. Please note that this is not available to employers receiving assistance through the SBA's new Paycheck Protection Program. Learn more [HERE](#).

## Resources for Business Counseling Services

- The CARES Act provides \$275 million in grants to the nation's network of Small Business Development Centers (SBDCs) and Women's Business Centers (WBCs), as well as the Minority Business Development Agency's Business Centers (MBDCs), to provide mentorship, guidance and expertise to small businesses. The funding will allow SBDCs, WBCs, and MBDCs to hire staff and provide programming to help small businesses and minority-owned businesses respond to COVID-19. To find out more about SBDCs, click [HERE](#). To find a local resource partner, click [HERE](#). To learn more about WBCs, click [HERE](#). To find out if there is an MBDC that services your area, click [HERE](#)

## Additional Resources

- For more information on the small business provisions of the CARES Act, please see the Small Business Committee's overview [HERE](#); the Resource Guide for Small Business Owners [HERE](#); and a helpful flow chart with counseling resources [HERE](#).

## **Health Care: COVID-19 Treatment, Prevention, Access to Testing**

For more information on the health care provisions of the CARES Act, check out the Frequently Asked Questions document prepared by the Energy & Commerce Committee [HERE](#).

**Testing:** The Families First Coronavirus Response Act (FFCRA), passed on March 18th, requires COVID-19 testing to be free for all Americans, including those enrolled in Medicare/Medicaid, on private insurance, and individuals who are uninsured. The CARES Act builds on these consumer protections. This means that testing should be free of deductibles, coinsurance, and co-pays, and insurers must cover any associated fees for visits to the ER, urgent care centers, and doctor's offices

**Treatment:** While the House proposal made sure that beneficiaries were not burdened with costs associated with COVID19 treatment, the CARES Act unfortunately provides no such assistance to seniors or individuals on private insurance. The maintenance of effort (MOE) provisions included in the Families First Coronavirus Response Act (FFCRA), passed on March 18th, does require, as a condition of receiving increased federal funds, that states cover COVID-19 treatment without cost-sharing for Medicaid beneficiaries, but this is limited to the duration of the COVID-19 public health emergency. The House proposal also would have covered treatment for individuals who are uninsured, but the CARES Act does not.

**Vaccines:** The CARES Act requires any future COVID-19 vaccination to be provided free of charge to Medicare beneficiaries and people with private insurance. However, unlike the House proposal, the CARES Act does not mandate coverage of vaccines in the Medicaid program or for the uninsured. While the maintenance of effort (MOE) provisions in the Families First Coronavirus Response Act (FFCRA) does condition the temporary increase in federal funds on states Medicaid programs covering vaccines without cost-sharing, this is a temporary fix for the duration of the COVID-19 public health emergency. The House bill would have made this provision permanent, and would have also applied this requirement to uninsured individuals.

**Community Health Centers:** The CARES Act provides an additional \$1.32 billion in funding for community health centers to prevent and treat COVID-19.

**Centers for Medicare & Medicaid Services (CMS)** – The bill includes \$200 million for CMS to assist nursing homes with infection control and support states' efforts to prevent the spread of coronavirus in nursing homes.

### **Additional Health Care Provisions in the CARES Act**

- **Testing**
  - Requires diagnostic test providers to make the price for the coronavirus test publicly available on the internet
  - Requires Medicare to allow fills and refills of prescription drugs for up to 3-month supply during the emergency
  - Provides \$15.85 billion for health care access for veterans

- **Telehealth**
  - Allows telehealth services to be covered under a high-deductible health plan before a patient reaches the deductible for plan years beginning on or before Dec. 31, 2021.
  - Removes a requirement from the first coronavirus response measure (Public Law 116-123) that a doctor had to have treated a patient within the last three years to use expanded telehealth authorities under Medicare.
  - Ensures that federally-qualified health centers and rural health clinics could offer telehealth services to beneficiaries in another location during the coronavirus emergency and be reimbursed at a rate that is similar to the national average for comparable services under the Medicare physician fee schedule.
  - Ensures individuals receiving home dialysis do not need to have periodic in-person assessments to qualify for telehealth services during the coronavirus emergency. Face-to-face encounters for recertifying eligibility for hospice care could be conducted via telehealth during the emergency period instead of in person.
  - Additional information: CMS has expanded telehealth coverage for most of Medicare Part B. Constituents should contact their insurer to understand any expanded telehealth coverage, and know that the decision to provide telehealth service is up to individuals providers/doctors.
  
- **Medicare Coverage**
  - Ensures Medicare Part B, which provides general medical insurance, would fully cover a Covid-19 vaccine without any cost-sharing.
  - Requires prescription drug plans to allow Part D prescription drug beneficiaries to receive a 90-day supply of medication during the public health emergency.
  
- **Post-Acute Care and Home Health Care**
  - Waives a requirement that patients at inpatient rehab facilities receive at least 15 hours of therapy per week during the emergency period. It also would direct HHS to waive a payment adjustment for long-term care hospitals that don't have at least a 50% discharge payment percentage.
  - Allows Medicaid programs to cover home and community-based services that are provided in acute-care hospitals.
  - Allows physician assistants and nurse practitioners to order home health services for Medicare beneficiaries.
  
- **Medicare Payments**
  - Hospitals would receive a 20% increase in their Medicare payments for treating a patient with Covid-19 during the coronavirus emergency.
  - Prevents a scheduled reduction in Medicare payments for durable medical equipment, such as wheelchairs or other equipment used at home, for the duration of the emergency.
  
- **Spending Accounts**
  - Allows health savings accounts to be used for medicine without a prescription and for menstrual products. These provisions would also apply to other spending accounts such as flexible spending arrangements.

- **Other Health Provisions**

- Access to Hydroxychloroquine:
  - Many constituents using hydroxychloroquine to treat other illnesses such as lupus, are concerned that if the drug is recognized as an effective COVID-19 treatment, that they will not have access to their own treatments. Please note that the drug is still undergoing clinical trials and is not currently recognized for COVID-19 treatment.
  - The FDA has not indicated that there is an official shortage of the drug. However, our short-term recommendation to constituents is that if for any reason their pharmacy is out of hydroxychloroquine, to please contact their primary care provider and request the prescription order be sent to another nearby pharmacy.

## Hospitals & Health Care System

The CARES Act provides approximately \$200 billion for our hospitals, health systems, and health research, including expanding funding for the personal protective equipment desperately needed by our health care workers, including ventilators, n95 masks, gowns, and gloves. For more information on the health care provisions of the CARES Act, check out the Frequently Asked Questions document prepared by the Energy & Commerce Committee [HERE](#).

**Public Health and Social Services Emergency Fund (PHSSEF):** The CARES Act, through the PHSSEF, makes available \$100 billion for reimbursement for eligible health care entities, including public entities, Medicare or Medicaid enrolled suppliers and providers, and others that the Secretary of Health and Human Services (HHS) can specify, that provide diagnoses, testing, or care for patients with possible or actual cases of COVID- 19.

### Overview of Funding Under the CARES Act:

- **Centers for Disease Control and Prevention** – \$4.3 billion to support federal, state, and local public health agencies to prevent, prepare for, and respond to the coronavirus, including:
  - \$1.5 billion to support States, locals, territories, and tribes in their efforts to conduct public health activities, including:
    - Purchase of personal protective equipment;
    - surveillance for coronavirus;
    - laboratory testing to detect positive cases;
    - contact tracing to identify additional cases;
    - infection control and mitigation at the local level to prevent the spread of the virus; and
    - other public health preparedness and response activities.
  - \$1.5 billion in flexible funding to support CDC’s continuing efforts to contain and combat the virus, including repatriation and quarantine efforts, purchase and distribution of diagnostic test kits (including for state and local public health agencies) and support for laboratory testing, workforce training programs, combating antimicrobial resistance and antibiotic resistant bacteria as a result of secondary infections related to COVID-19, and communicating with and informing public, state, local, and tribal governments and healthcare institutions.
- **National Institutes of Health** – The bill includes \$945 million to support research to expand on prior research plans, including developing an improved understanding of the prevalence of COVID-19, its transmission and the natural history of infection, and novel approaches to diagnosing the disease and past infection, and developing countermeasures for the prevention and treatment of its various stages.
- **Assistant Secretary for Preparedness and Response** – \$127 billion for medical response efforts, including:

- \$100 billion for a new program to provide grants to hospitals, public entities, not-for-profit entities, and Medicare and Medicaid enrolled suppliers and institutional providers to cover unreimbursed health care related expenses or lost revenues attributable to the public health emergency resulting from the coronavirus.
- More than \$27 billion for the Biomedical Advanced Research and Development Authority (BARDA) to support research and development of vaccines, therapeutics, and diagnostics to prevent or treat the effects of coronavirus, including:
  - \$16 billion for the Strategic National Stockpile for critical medical supplies, personal protective equipment, and life-saving medicine;
  - At least \$3.5 billion to advance construction, manufacturing, and purchase of vaccines and therapeutics to the American people. This is in addition to the major investments provided for these activities in the first supplemental.
  - At least \$250 million for the Hospital Preparedness Program, including the National Ebola and Special Pathogens Training and Education Center (NETEC), regional, State and local special pathogens treatment centers, and hospital preparedness cooperative agreements;
  - Funding for innovations in manufacturing platforms to support a U.S.-sourced supply chain of vaccines, therapeutics, and small molecule active pharmaceutical ingredients;
  - Funding to support U.S.-based next generation manufacturing facilities;
  - Increased medical surge capacity at additional health facilities;
  - Enhancements to the U.S. Commissioned Corps;
  - Funding to support research related to antibiotic resistant secondary infections associated with coronavirus; and
  - Workforce modernization and increased telehealth access and infrastructure to increase access to digital healthcare delivery.
- **Appropriates \$1 billion for the Defense Production Act**—This funding allows the Department of Defense to invest in the manufacturing of personal and medical protective equipment to meet the demand of healthcare workers nationwide.
  - This act also waives for two years a provision barring the Defense Production Act Fund from having a balance greater than \$750 million, and waives another provision requiring congress to authorize projects that would correct and industrial resource shortfall exceeding \$50 million.
- **Misc.:** Temporary exemption from excise tax for alcohol used to produce hand sanitizer to help distilleries that have begun producing hand sanitizer.

## **Education: Student Loans and Financial Aid**

The CARES Act is Congress's third legislative response to the COVID-19 pandemic. The emergency relief package provides assistance to current students, those with student loans, and colleges, universities, and local and state school systems. The package gives flexibility on rules and regulations to educational institutions in administering federal financial aid programs.

**Immediate borrower relief for federal student loans:** The CARES Act pauses payments and suspends debt collection on most federal student loans until September 30, 2020. It prohibits garnishment, tax seizure, benefits reduction, and interest accrual on most federal student loans, allowing borrowers to remain current for credit reporting and loan forgiveness program purposes.

### **Student Loans – Helping Current Students and Student Loan Holders**

- Federal student loan payments are suspended until September 30<sup>th</sup> with no interest accrual. Each month for which a loan payment was suspended counts as if a payment had been made for the purpose of federal loan forgiveness programs or for a loan rehabilitation. Consumer reporting agencies must treat suspended payments as if they were made as regularly scheduled, so as to not negatively affect credit scores.
- Until September 30<sup>th</sup>, all involuntary collection related to federal student loans are suspended, including wage garnishment, reduction of tax refunds, or reduction of federal benefits (such as Social Security).
- Waive teacher student loan forgiveness requirements related to *consecutive* years of service because of interruptions caused by the emergency.
- Employer student loan repayment assistance paid after the bill's enactment and before Jan. 1, 2021, would be excluded from employees' income tax up to \$5,250.
- AmeriCorps participants whose service is limited because of Covid-19 can still be eligible to receive the full educational award if they suspend or exit the program early.

## Housing & Food Assistance

**Emergency Homeless Assistance:** The CARES Act provides \$4 billion in emergency homeless assistance to enable state and local governments to finance housing and health related services for the hundreds of thousands of people currently experiencing homelessness.

**HUD Emergency Solution Grants:** Provides \$2 billion for HUD Emergency Solution Grants to states that will be distributed by formula. These grants are designed to address the impact of the coronavirus among individuals and families who are homeless or at risk of homelessness, and to support additional homeless assistance, prevention, and eviction prevention assistance. Of this \$2 billion, our state will receive \$30,816,055.

**Low-Income Home Energy Assistance Program (LIHEAP):** Provides \$900 million to help low-income families pay their heating and cooling bills. Maryland state will receive \$34,145,000 for this purpose during this public health emergency.

**Temporary foreclosure moratorium and mortgage forbearance for federally-backed loans:** For homeowners with federally backed loans, there will be a foreclosure moratorium for four months, and mortgage forbearance for up to a year, including a prohibition on fees and additional interest during the term of the forbearance. Multifamily rental property owners with federally backed mortgages will also have access to forbearance for up to 90 days and would be required to comply with requirements to halt evictions and late fees for the duration of the forbearance. Mortgage servicers are eligible to access a new Federal Reserve facility authorized under the bill to ensure continued liquidity during these forbearance periods.

**Temporary moratorium on eviction filings for properties that receive federal assistance:** The bill provides a 4-month moratorium on evictions for four months to protect renters who are unable to pay their rent. The moratorium applies to properties that receive federal subsidies or assistance, such as public housing, Section 8, USDA rental assistance, and Low Income Housing Tax Credits, as well as to properties that have a mortgage issued or guaranteed by a federal agency, including FHA and USDA, or Fannie Mae or Freddie Mac. While the moratorium included in the Senate amendment is narrower than a similar provision in the House bill, it still covers a substantial portion of the rental market.

**Nutrition Assistance:** The CARES Act provides additional funding for nutrition assistance programs to help low-income families put food on the table through the following programs:

- Supplemental Nutrition Assistance Program (SNAP) – \$15.5 billion to support anticipated increases in participation and to cover program cost increases related to flexibilities provided to SNAP by the Families First Coronavirus Act.
- Child Nutrition Programs (CNP) – \$8.8 billion to cover program cost increases related to flexibilities provided to Child Nutrition Programs by the Families First Coronavirus Act.
- The Emergency Food Assistance Program (TEFAP) – \$450 million to assist local food banks in meeting the need for food during the emergency. Of the total, \$300 million is for

the purchase of nutritious foods and \$150 million is to support the storage and distribution of the foods. Including funding provided by the Families First Coronavirus Act, TEFAP's total is \$850 million.

- Food Distribution Program on Indian Reservations (FDPIR) – \$100 million to support income-eligible households living on Indian reservations and American Indian households residing in approved areas. These households participate in FDPIR as an alternative to the Supplemental Nutrition Assistance Program.
- Nutrition Assistance for U.S. Territories – \$200 million for USDA to provide nutrition assistance grants to Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands.

**For more information on the SNAP and anti-hunger provisions included in phases 2 & 3 of the coronavirus response legislation, please see the Overview document prepared by the House Agriculture Committee [HERE](#).**

## **Aging, Disability Assistance Programs**

The emergency relief package provides funding for older Americans and people of all ages with disabilities, which includes funding for housing assistance and health care.

**Housing Assistance:** The CARES Act provides \$65 million for housing for the elderly and persons with disabilities for rental assistance, service coordinators, and support services for the more than 30,000 affordable households for low-income persons with disabilities.

**Supplemental funding for service coordinators to assist elderly households:** The bill includes \$10 million funding for servicer coordinators to assist elderly households living in HUD-assisted housing during the coronavirus pandemic.

### **HHS Funding:**

- Association for Community Living – The CARES Act provides \$955 million for Aging and Disability Services Programs. That money will go to support nutrition programs providing people with disabilities and older Americans with food deliveries as well as direct support for family caregivers. That amount also includes \$50 million dollars for aging and disability resource centers across the country as well as \$85 million dollars for Centers for Independent Living (CILs).
- Centers for Medicare & Medicaid Services – The CARES Act provides \$200 million to prevent coronavirus from spreading within nursing homes.

**Health Care:** The CARES Act allows for up to 3-month refills of covered Medicare Part D drugs during the crisis. It also eliminates Medicare Part B cost-sharing for a coronavirus vaccine, test or related services.

**Education:** The CARES Act gives states more than \$30 billion dollars to provide Emergency Education Relief grants to help teachers and students with and without disabilities to make the switch to online learning and virtual classrooms.

**Retirement Funds:** The CARES Act waives the rule that people 70 and older must take a required minimum distribution for 2020 from traditional 401(k)s and IRAs. This allows flexibility for people to leave money in their accounts and give their retirement funds time to recover from the recent stock market losses.

For more information, please see:

- The Senate Finance Committee Section-by-Section Summary, available [HERE](#).
- The Senate Appropriations Committee Title-by-Title Summary, available [HERE](#).
- The House Financial Services Overview of provisions affecting financial needs of individuals, families, small businesses, and communities, available [HERE](#).

## **Unemployment Insurance & Direct Payments to Individuals**

The CARES Act strengthens and expands unemployment benefits. It provided an additional \$600 per week for the next four months, provides an additional 13 weeks of federally funded benefits, and expands eligibility to include workers in the gig economy and self-employed workers. Additional information and resources are below.

The CARES Act provides a one-time direct cash payment to lower-and middle-income Americans of \$1,200 for each adult and \$500 for each child, beginning to phase out at an annual income of \$75,000 for an individual and \$150,000 for a household. Additional information and resources are below.

### **Unemployment Benefits Under the CARES Act**

The CARES Act temporarily expands unemployment insurance to cover individuals who are not typically eligible for unemployment, including individuals who are self-employed, independent contractors, gig workers, have limited work history, and others who are unable to work as a direct result of the crisis.

The measure provides an additional \$600 per week in “federal pandemic unemployment compensation” to individuals receiving unemployment benefits. The precise amount you can receive will depend on your state and your previous earnings. Between now and July 31<sup>st</sup>, an additional \$600 will be added to every unemployment compensation check, so that no eligible person will receive less than \$600 per week. The extra payment would remain available through July 31, 2020. *It would be excluded when determining eligibility for Medicaid and the Children’s Health Insurance Program (CHIP).*

**For more information on Unemployment Compensation under the CARES Act, see the Ways & Means Committee Frequently Asked Questions [HERE](#).**

### **MARYLAND UNEMPLOYMENT INSURANCE RESOURCES**

- The best starting place for Maryland residents is the “Information for Applicants” page: <http://www.labor.maryland.gov/employment/uibenefits.shtml>.
  - Claimant FAQs: <http://www.dllr.state.md.us/employment/claimfaq.shtml>
- Maryland residents may apply for (UI) benefits via telephone (410-949-0022) from 7:30am to 3:30pm or online at <https://secure-2.dllr.state.md.us/NetClaims/Welcome.aspx>
- If you are having difficulty placing a call or accessing the website, claimants can e-mail questions to [ui.inquiry@maryland.gov](mailto:ui.inquiry@maryland.gov) and employers can e-mail questions to [dluiemployerassistance-labor@maryland.gov](mailto:dluiemployerassistance-labor@maryland.gov). Claims may only be filed by phone or online – not by email.

*\*\*There is currently a temporary exemption from the work search requirement for individuals receiving unemployment insurance benefits\*\**

### **Recovery Rebates (also known as Tax Rebates, Direct Payments, Rebate Payments)**

The CARES Act provides a one-time direct cash payment to lower-and middle-income Americans of \$1,200 for each adult and \$500 for each child, beginning to phase out at an annual income of \$75,000 for an individual and \$150,000 for a household.

A brief overview is below. For more information on these payments, check out the Ways & Means Committee Frequently Asked Questions document [HERE](#) and the Committee's overview of Social Security & Eligibility [HERE](#).

**Who is eligible?** U.S. residents who are not a dependent of another taxpayer and have a work eligible Social Security number (only one number would be required if one spouse was a member of the Armed Forces). This includes individuals who have no income, as well as those whose income comes entirely from non-taxable means-tested benefit programs, such as SSI benefits.

**Does my income affect the amount of my Rebate?** Yes. U.S. residents with an adjusted gross income (AGI) of up to \$75,000 are eligible for the full \$1,200 rebate, and married residents with AGI up to \$150,000 are eligible for \$2,400. Residents are eligible for an additional \$500 per child. The rebate amount is reduced by \$5 for each \$100 that a taxpayer's income exceeds the phase-out threshold. The amount is completely phased-out for single filers with incomes exceeding \$99,000, \$146,500 for head of household filers with one child, and \$198,000 for joint filers with no children.

**Are non-filers and people without federal income tax liabilities eligible for rebates?** Yes. There is no earned income requirement to be eligible for a rebate, but non-filers may need to file their 2019 returns in order to receive the rebates. The deadline for filing 2019 taxes was extended to July 15. The Social Security Administration will share information for Social Security (Old-Age, Survivors, and Disability Insurance) beneficiaries with IRS to help ensure these beneficiaries receive an automatic advance payment.

**Are the rebates taxable or counted as income?** No. The checks will not count as taxable income. The payments would not count as income or resources for a 12-month period in determining eligibility for the amount of assistance provided by any federally funded public benefit program.

**What do I need to do to get my Rebate?** Many people will be paid automatically by IRS, if they filed a 2019 or 2018 tax return. Social Security beneficiaries and SSI recipients who did not file a tax return may need to take additional action, such as filing an abbreviated tax return, to receive a rebate. This process is still evolving, and IRS is posting specific guidance at [www.irs.gov/coronavirus](http://www.irs.gov/coronavirus).

**For more information on these payments, check out the Ways & Means Committee's Frequently Asked Questions document [HERE](#).**

#### **Eligibility of Social Security Beneficiaries and SSI Recipients**

- Social Security beneficiaries and SSI recipients are eligible for the rebate payments.
- Everyone is eligible for the rebate payments as long as they have an SSN and their household income is not too high. Rebate payments start to phase out at the thresholds of \$75,000 single, \$112,500 head of household, and \$150,000 married. This includes Social Security beneficiaries (retirement, disability, survivor) and Supplemental Security Income (SSI) recipients.
- Like other tax credits, these payments do not count as income or resources for means-tested programs. So receiving a rebate will not interfere with someone's eligibility for SSI, SNAP,

Medicaid, ACA premium credits, TANF, housing assistance, or other income-related federal programs. These rebates do not affect receipt of state or federal unemployment compensation.

- For more on Social Security and the CARES Act, see the Ways & Means Committee explainer [HERE](#).

## **Financial Assistance for Individuals**

### **Penalty-free Withdrawals from Retirement Savings**

The CARES Act waives the 10% early withdrawal penalty for distributions up to \$100,000 from qualified retirement accounts for coronavirus-related purposes made on or after January 1, 2020. Rep. Raskin previously urged Congressional leaders to waive the 10% penalty fee for early withdrawals.

### **Suspension of RMD Rules for Certain Retirement Plans and Accounts**

The CARES Act waives required minimum distribution (RMD) rules for certain contribution plans and IRAs for 2020. This provision provides relief to individuals who would otherwise be required to withdraw funds from such retirement accounts during the economic slowdown due to COVID-19. Failure to meet the RMD would have resulted in a 50% tax penalty. Rep. Raskin previously urged Congressional leaders to protect seniors' retirement security and suspend the RMD for the current year.

### **Increased Bankruptcy Protections for Consumers**

The CARES Act amends chapters 7 and 13 to exclude coronavirus-related payments from the federal government from being treated as income for purposes of filing bankruptcy. It also permits consumers currently in chapter 13 to seek payment plan modifications, including extending their payments for up to seven years after their first payment, which may help keep more families in their homes.

### **Tax Deduction for Charitable Contributions**

The CARES Act provides for an above-the-line deduction for up to \$300 of cash contributions to charitable organizations in 2020, regardless of whether the taxpayer itemizes their deductions.

### **Recovery Rebates (also known as Tax Rebates, Direct Payments, Rebate Payments)**

The CARES Act provides a one-time direct cash payment to lower-and middle-income Americans of \$1,200 for each adult and \$500 for each child, beginning to phase out at an annual income of \$75,000 for an individual and \$150,000 for a household.

For more information on these payments, please see the previous section of this document, read the Ways & Means Committee Frequently Asked Questions document [HERE](#) and check out the Committee's overview of Social Security & Eligibility [HERE](#).

## Federal Assistance to States & Localities

The CARES Act includes states, territories, and cities—perhaps the entities experiencing the most severe emergencies of all— among the eligible recipients of “emergency relief” from the Treasury and Federal Reserve. The Treasury Secretary is instructed to create a facility that will extend support to state and local governments as they incur new costs related to this crisis.

**State and Local Coronavirus Relief Fund:** This bill creates a \$150 billion State and Local Coronavirus Relief Fund to provide states and localities additional resources to cope with the coronavirus pandemic. This funding is available directly to states and localities, and requires no state or local matching requirements. It is [estimated](#) that our state of Maryland will receive approximately \$2.3 billion in desperately needed funds to benefit our state’s residents.

### Additional Funding for State and Local Governments

- **CDC Coronavirus State, Local and Tribal Grants:** Provides about \$750 million in CDC State, Local, and Tribal Grants Minimum Awards to help agencies cope with the public health emergency. The minimum award for our state is \$ 11,399,000. States may also apply for additional funds above their minimum award, based on their needs.
- **Child Care and Development Block Grant:** Supports childcare and early education by providing \$3.5 billion for the Child Care and Development Block Grant. Our state will receive \$45,484,102 under this emergency appropriation.
- **Transit Agencies:** Provides \$25 billion to transit agencies, which have all seen a drastic drop in revenues as social distancing has been implemented. This funding is to be used to protect the jobs of the employees of the transit agencies, funding their paychecks during this public health emergency. Maryland will receive \$695,418,978 under this program.
- **Byrne-Justice Assistance Grant Program:** Provides \$850 million for this program, giving additional support to state and local law enforcement agencies, thereby allowing them, for example, to obtain the personal protective equipment and other medical items they may need during this public health emergency. Our state will receive \$17,276,794 under this appropriation.

Additional information on CARES Act funding for state and local governments is available in [this Fact Sheet](#) prepared by the House Appropriations Committee.

## Corporate Oversight & Accountability

**Restrictions and conditions on Federal aid.** The CARES Act includes restrictions preventing the provision of Federal aid intended to support families, workers and businesses does not personally benefit President Trump or enrich CEOs. The final bill prohibits any business owned or controlled by the President, Vice President, Members of Congress, Cabinet officials or their family members from receiving any Federal aid from the \$500 billion program administered by Treasury and the Federal Reserve. Furthermore, various aspects of the Federal aid come with strings attached, including prohibiting buybacks, paying out dividends, restricting executive compensation, and requiring minimum workforce levels. The bill also requires that these loans and investments are made solely in American companies by prohibiting the federal government from purchasing or guaranteeing assets from foreign corporations.

- **Establishes the Pandemic Response Accountability Committee:** The bill establishes the Pandemic Response Accountability Committee (PRAC), which will be empowered to conduct audits and investigations to identify any waste, fraud, and abuse of funds during the course of the federal government’s multi-agency response to COVID-19.
  - PRAC will be made up of a group of independent Inspectors General from multiple committees who will be authorized to access documents and obtain testimony from government officials and private entities. This bill gives \$80M to PRAC to conduct its work.
  - PRAC will keep the public updated on its investigatory findings via [Oversight.gov](https://www.oversight.gov), the same website where agencies will be required to report how they are spending taxpayer dollars during this crisis.
- **Establishes a Special Inspector General for Pandemic Recovery:** In addition to PRAC, the bill establishes a Special Inspector General to conduct oversight over stimulus spending by the Department of the Treasury. The bill requires the Special Inspector General to track all loans, loan guarantees, and other obligations and expenditures made by the Treasury Department under the bill. The bill provides \$25 million for the Special Inspector General and authorizes the position for five years.
- **Congressional Oversight Commission:** The bill establishes an independent commission within the legislative branch to oversee key economic relief provisions in the bill that authorizes spending by the Department of Treasury and the Federal Reserve. The Commission must submit reports to Congress every 30 days.
- **Restrictions on the Airline Industry:** The bill also includes mechanism to prevent the airline industry from misusing taxpayer funds, as occurred in the post-9/11 bailout package, when funds were misused for corporate gain. In order to receive funds from the Treasury Department, air carriers must agree to limit their ability to buy back stocks, pay dividends to shareholders, layoff or furlough employees, and increase executive pay.
- **Prevent Funds from Benefiting the Trump Organization:** In order to prevent self-dealing or further violations of the Domestic Emoluments Clause, any business controlled by the President, Vice President, agency head, member of Congress, or an immediate family member, cannot receive any of the \$500 billion in Treasury Dept. loans.
- **Funds the Government Accountability Office:** The bill allocates \$20 million to enable the independent Government Accountability Office (GAO) to help Congress conduct

monitoring oversight of the spending under this bill and other efforts to respond to the crisis. The bill provides GAO with the ability to conduct oversight and inspections of private entities receiving funding under the bill to prevent fraud and empowers GAO to access records and testimony. GAO will regularly brief Congress during the public health emergency, providing real-time updates in addition to public reports.

## Other Provisions

### Elections

- The bill provides \$400 million for states to help prepare for the 2020 elections. Funding can be used for such purposes as to expand vote by mail, early voting and online registration, and to increase the safety of in-person voting sites and procedures. This is far less than the \$4 billion Rep. Raskin sought, which was included in the House proposal. The House proposal also set requirements to improve access to the elections such as no-excuse absentee voting and mailing ballots to all registered voters.

### Federal Workforce

- **Teleworking:** The CARES Act does not include a House bill provision sought by Rep. Raskin mandating teleworking for all non-essential federal employees during the crisis. However, the CARES Act does include some funds to help certain federal departments boost teleworking capabilities, including Justice, Interior, Veterans Affairs, EPA, and more.
- **Paid Family and Sick Leave:** Rep. Raskin and House Democrats sought to broaden the family and medical leave provisions of the earlier COVID relief package but were unsuccessful in including it in the CARES Act. Additionally, the CARES Act added language allowing OMB to exempt some federal workers from these protections for good cause, which Rep. Raskin opposes.
- **Workplace Protections:** The House bill would have required OSHA to quickly establish temporary emergency standards for workers at elevated risk during the virus outbreak, and to establish permanent standards within 2 years. The CARES does not include these provisions championed by Rep. Raskin and House Democrats.
- **Personal Protective Equipment:** The bill includes funds to help purchase personal protective equipment for employees at DHS, the VA, the Bureau of Prisons and the Foreign Service.
- **Federal Contractors:** Under the CARES Act, federal agencies could reimburse federal contractors for providing paid leave to employees unable to work on-site or remotely due to COVID-19. The authorization is subject to appropriations and lapses on September 30, 2020.

### Immigration

- The CARES Act does not include several provisions in the House proposal aimed at extending health and legal protections to immigrants. For instance, it does not allow Medicaid to cover coronavirus treatment for all immigrants or extend DACA and TPS status as the House bill did. The CARES Act also excludes certain tax-paying immigrants from benefitting from some financial relief in the bill: immigrants who do not have status but pay taxes through an ITIN would not qualify for cash assistance (also disqualifying any U.S. citizens in their household) and recent legal residents would not qualify for unemployment insurance.

- However, Democrats were able to keep out of the CARES Act several punitive provisions sought by the Administration and Senate Republicans, including making having COVID-19 a basis for excluding immigrants from asylum and other legal status. They also ensured that sanctuary jurisdictions would not be blocked from obtaining Byrne Grant relief under the bill.

### **Courts and Prisons**

- **Prisons:** Prisons and jails present a risk of contagion because of issues with crowding and security measures that require close contact between personnel and inmates.
  - The CARES Act directs the Department of Health and Human Services (HHS) to consider the needs of the Bureau of Prisons (BOP) with regard to personal protective equipment and testing for COVID-19.
  - It also gives the BOP Director authority to release prisoners to home confinement, providing an alternative to keeping certain inmates in prison facilities.
  - Finally, the bill instructs the BOP Director to promulgate rules to enhance the use of video visitation (free of charge to inmates) to mitigate restrictions on in-person visits.
- **Courts:**
  - Under the CARES Act, judges may require video teleconference hearings for criminal proceedings in courts affected by a national emergency upon application by DOJ. Judges may also require video teleconference hearings in sentencing or plea agreements only upon the specific finding that they cannot be conducted in person without seriously jeopardizing public health and safety and they cannot be further delayed without serious harm to the interests of justice.
- **Funding:** Additionally, the CARES Act provides:
  - \$100 million to the Bureau of Prisons to prevent, prepare for, and respond to coronavirus, domestically or internationally, including the impact of the coronavirus on the work of the Department of Justice.
  - \$850 million for state and local law enforcement through Byrne-JAG grants to prevent, prepare for, and respond to coronavirus, domestic or internationally.
  - \$6.5 million to courts for preparation and response to COVID-19.
  - \$1 million to Federal Defenders for preparation and response to COVID-19.