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Social security recipients will automatically receive economic impact payments, Federal Tax Update (04/03/2020)

## Social security recipients will automatically receive economic impact payments

### *Social Security Recipients Will Automatically Receive Economic Impact Payments*

In a Treasury Department press release, the Treasury Department and the IRS have announced that social security beneficiaries will not need to file a "simple" return to receive an economic impact payment and that the payment will be automatic.

**Background.** In a March 30, 2020 Information Release, the IRS provided details on the distribution of economic impact payments that are part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act, PL 116-136, 3/27/2020). In the Information Release, the IRS stated that distribution of economic impact payments would begin in the next three weeks and would be distributed automatically, with no action required for most people. However, the IRS also stated that people who did not file a 2018 or 2019 federal income tax return, including individuals who typically are not required to file a return, would need to submit a "simple" tax return to receive the stimulus payment. (IR 2020-61, 3/30/2020) See, IRS releases details on receiving coronavirus economic impact payments (04/01/2020).

**No need to file return.** The Treasury Department's press release states that social security beneficiaries who are not typically required to file tax returns will not need to file a "simple" tax return to receive an economic impact payment. Instead the payments will be automatically deposited into their bank accounts.

According to the press release, the IRS will use the information on Form SSA-1099 to distribute \$1,200 economic impact payments to Social Security recipients who did not file tax returns in 2018 or 2019. Recipients will receive these payments as a direct deposit or by paper check, just as they would normally receive their benefits.