



Recovery Checks

The act provides immediate cash assistance to Americans and their families, checks of up to \$1,200 (\$2,400 for those married filing jointly) to many U.S. taxpayers. The amounts paid would be increased by \$500 for each of the taxpayer's qualifying children. The payments are reduced for higher-income taxpayers; they begin phasing out for taxpayers with adjusted gross income (AGI) of \$75,000 for single, \$112,500 for head-of-household filers, and \$150,000 for those married filing jointly. The IRS will base these amounts on the taxpayer's 2019 tax return, or 2018 tax returns if 2019 has not yet been filed.

Unemployment Benefits

The Act expands unemployment insurance provisions to include an additional \$600 per week payment to each recipient for up to four months, and extend benefits to self-employed workers, independent contractors, and those with limited work history. The federal government will provide temporary full funding of the first week of regular unemployment for states with no waiting period and extend benefits for an additional 13 weeks through December 31, 2020 after state benefits end.

Retirement Plan Provisions

Individuals may withdraw up to \$100,000 from qualified retirement accounts for coronavirus-related purposes without being subject to the 10 percent early withdrawal penalty. Additional relief is provided in that the income from these distributions is subject to tax ratably over a three-year period. Individuals may recontribute amounts withdrawn to eligible retirement funds within three years (regardless of that year's contribution limit).

The act also increases retirement plan loans to the lesser of \$100,000 or the participants vested account balance and allows participants to delay loan repayments for up to a year.

Taxpayers are also temporarily relieved of the requirement to take required minimum distributions from certain retirement plans and accounts.

Charitable Contributions

The Act creates an "above the line" deduction of up to \$300 for charitable contributions for taxpayers who do not itemize. The Act also suspended the 50% of Adjusted Gross Income (AGI) cap of charitable contributions for individuals who itemize for 2020.