

ALL YOU NEED TO KNOW ABOUT THE COVID-19 STIMULUS PLAN

After days of negotiations and last-minute changes, the Senate and the White House have signed a historic \$2 trillion stimulus plan to help mitigate the economic fallout of COVID-19. The Coronavirus Aid, Relief and Economic Security Act (CARES) will put cash directly into people's pockets, provide desperately needed funding for hospitals and help struggling businesses remain afloat in these financially fragile times.



Here's all you need to know about the CARES Act.

Stimulus checks

One of the most crucial elements of the bill is the plan to distribute stimulus checks to Americans in the middle class and lower income levels. Officials hoped to deposit the one-time payments as soon as early April, though Americans likely won't see the funds until a few weeks later.

Aid amounts will be based on household income reported in 2018 taxes (or 2019 taxes if they've already been filed), and will average \$1,200 for each adult earning up to \$75K a year and married couples earning up to \$150K a year. Check amounts will begin to phase out for individuals whose income exceeds the \$75K threshold, and for couples who earn more than \$150K. Individuals earning more than \$99K, and couples with no dependents earning more than \$198K, won't receive stimulus checks. Each household will also receive an additional \$500 for every child under the age of 17 living at home. You can look up your anticipated check amount on this [calculator](#).

The feds are hoping the stimulus checks will help the floundering economy and be a welcome relief to the millions of Americans struggling with a job loss or decreased hours due to COVID-19. The checks will provide benefits quicker than a tax credit and offer more spending freedom for recipients.

Increased unemployment benefits

Senate minority leader Chuck Schumer (D-NY) said the stimulus plan would put “unemployment insurance on steroids” to help employees in every sector survive the pandemic with their finances intact.

The enhanced unemployment insurance includes four months of full paid leave for laid-off workers; expanded coverage for employees who were furloughed; the inclusion of workers who generally do not qualify for unemployment, like gig workers and freelancers; and increased unemployment benefits for all eligible workers by \$600 a week for four months in addition to each state’s predetermined unemployment compensation.

Funding for the health care system

The stimulus plan will pump \$150 billion in the country’s overtaxed health care system to help it

meet the overwhelming demands of the pandemic. Of this funding, \$130 billion will go directly to hospitals struggling to deal with a shortage of masks, ventilators, beds and protective gear; and \$1 billion will go to the Indian Health Service. The rest of the money will be used to fund research and treatment and to help the Strategic National Stockpile raise supplies of ventilators, masks and other equipment for hospitals across the country.

Small business bailouts

Small businesses are among the hardest hit by the pandemic and national shutdown to help “flatten the curve.” The stimulus plan will offer \$350 billion worth of funds to these corporations to help them remain solvent during these economically lean times. These funds take the form of loans, some of which may ultimately be forgiven.

Funding for state and local governments

State governments are especially active and vocal at this time, as they are the sole elected officials authorized to enact and enforce lockdowns on their jurisdictions. State treasuries are also straining to meet the surge in requests for funding from hospitals and individuals seeking unemployment benefits. Local governments are similarly mobilized during the pandemic, with law enforcement authorities in heavily infected areas putting in long, hard hours daily ensuring the safety and health of citizens.

The CARES Act will distribute \$150 billion directly to state and local governments to enable them to address their spending shortages and to fund their increased labor at this time.

Additional provisions and addenda

There are several other components of the CARES Act, including the following:

- Establishment of a Treasury Department special inspector general for pandemic recovery and a Pandemic Response Accountability Committee to oversee loans to businesses
- Prohibition for all businesses controlled by the president, vice president, members of Congress and heads of executive departments from participating in the loan or investment programs. Their children, spouses and other relatives are also banned from receiving benefits.
- Provisions to ban stock buybacks during the period of government assistance. There is an additional ban of a year for all companies receiving a federal loan from the CARES Act

- Establishment of worker protections for businesses receiving the federal loans
- Prohibition for airlines from using the federal loans for CEO bonuses

The country is going through historically challenging times, but with the combined effort of the federal government, the cooperation and compliance of the public and generosity of each individual, we can all get through this together. Wishing all of our members and their families continued health and safety at this time. If you need us, we are here. Call us at 1-800-804-7555.

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