

## Information on the CARES Act of 2020

### Direct Payments and Unemployment Insurance for New Mexicans

“Across the country and throughout New Mexico, workers have lost their jobs and are facing unprecedented economic hardship – almost overnight and through no fault of their own. The American people deserve our full support during this COVID-19 pandemic, and help is on the way to New Mexico families and workers. This funding will help families today with their bills while helping to alleviate some of the stresses of tomorrow—money in the bank today and a better chance at a job to return to in the future. I will continue to fight for all New Mexicans to ensure that working people have what they need to stay healthy while providing for themselves and their families.” -U.S. Senator Tom Udall

### Fast Facts: How the CARES Act Benefits New Mexicans

#### Direct Payments

- **\$1,200 for Individuals**
  - The one-time direct payment amount in the CARES Act that the vast majority of New Mexicans will receive. The payment amount starts to phase out above income levels of \$75,000 for individuals and \$150,000 for couples jointly filing their taxes, and completely phases out above \$100,000 and \$200,000 respectively.
- **\$2,400 for Couples**
  - Direct payment for joint filers.
- **\$500 for Children**
  - Direct payment for each child
- **\$1.8 billion to New Mexico**
  - The total estimated amount that New Mexico’s population will receive from the CARES Act, from an independent estimate of a similar proposal
- **Distribution**
  - The payment is based on 2019 or 2018 tax returns, and includes individuals without income tax liability. If no return is available, the payments will be made through information in 2019 Social Security Benefit Statements, or individuals can file a simplified tax return for 2019 with no tax owed. Payments are expected to be made as early as three weeks after final passage, according to the Department of the Treasury.

#### Unemployment Insurance

- **\$600 Expanded Benefit**
  - Increased unemployment benefit in addition to the previous maximum benefit of \$433 per week to meet the unprecedented need from the effects of the COVID-19 pandemic.
- **Assistance Extended to 4 months**
  - Senator Udall and Senate Democrats fought to extend unemployment assistance from three months to four months to make sure that workers would receive payments through the duration of this crisis
  - The provisions also allow workers to get unemployment insurance **more quickly** and allow furloughed workers to **stay on as employees and receive health benefits** while receiving UI so they are ready to quickly resume work with their employer and restart the American economy when the COVID-19 pandemic draws to a close.
- **Expanded Eligibility for Self-Employed**
  - For the first time, Senator Udall and Senate Democrats expanded unemployment assistance to cover self-employed and part-time gig economy workers for the next four months, who would not otherwise have been eligible to apply for unemployment insurance.

## CARES Act 2020 Direct Payments: Frequently Asked Questions U.S. Senator Tom Udall

Senator Tom Udall helped secure relief for New Mexico workers and working families—both direct payments and expanded unemployment insurance—as part of a **\$2 trillion stimulus package**. The funding is the largest stimulus package in U.S. history to help the American people weather this unprecedented public health crisis.

### What does this relief funding mean for New Mexico workers and working families?

- The vast majority of New Mexicans are eligible to receive a **one-time, \$1,200 payment**.
- Taxpayers filing jointly can receive **\$2,400**.
- Parents will receive **\$500** per child.

### Who is eligible for the direct payments?

- Individuals who have an income less than \$75,000 per year, and taxpayers filing jointly who have an income of less than \$150,000 per year are eligible for \$1200 or \$2400, respectively.
  - The payment amounts start to phase down above income levels of \$75,000 for individuals and \$150,000 for joint filers. Individuals earning more than \$100,000 and joint filers earning more than \$200,000 will not be eligible for direct payments.
- Individuals with outstanding student loan payments will still be eligible for the direct assistance, as federal student loan collection is temporarily suspended for some borrowers due to the COVID-19 pandemic.
- Individuals who owe back-child support are ineligible for the direct payments.
- Any person 17 and older who is claimed as a dependent on another person's tax return is not eligible for an individual or child stimulus payment.
  - Students ages 17 to 23 whose parents pay for more than half of their expenses and claim them on their tax returns won't get payments.

### How can individuals and families receive this assistance?

- The direct payments will be made based on the information from 2019 or 2018 tax returns. The 2019 tax filing deadline has been extended until **July 15**. If no return is available, the payments will be made through information in 2019 Social Security Benefit Statements, or individuals can file a simple 2019 tax return to receive the payment until December 2020.
- If you use a direct deposit to pay your taxes, it is likely that you will receive your direct payment to your bank account. If you have recently changed your address, contact the Internal Revenue Service (IRS) at <https://www.irs.gov/faqs> to notify the agency of your address change.
- Please visit <https://www.irs.gov/coronavirus> to find the most up-to-date information.

### What if I or someone in my family was laid off?

- This bill expanded unemployment assistance to cover lost wages during the unprecedented wave of layoffs to include **self-employed and part-time “gig economy” workers** for the first time in American history.
- Senator Udall helped fight for unemployment benefits of up to **\$600 per week** on top of the previous maximum benefit to meet the unprecedented need from the effects of the COVID-19 pandemic.
- This assistance has been expanded to cover unemployed individuals for **4 months** instead of **3**

### How can I file for unemployment?

- Visit the New Mexico Department of Workforce Solutions at <https://www.dws.state.nm.us/> or call the office at **1-877-664-6984**.