

CARES ACT 2020

A SUMMARY AND RESOURCES FOR CHURCHES



SUMMARY OF CARES ACT PROVISIONS PAYROLL TAX CREDIT

Note from the Christian Church Foundation, Disciples Church Extension Fund, and Pension Fund of the Christian Church: The material contained in this document is for informational purposes only and not to be construed as tax, financial, or legal advice. Before making decisions about financial matters, please consult your attorney, tax preparer or other financial advisor to find out how these programs will impact your individual or corporate situation.

For Pension Fund members only: If any differences exist between this summary and the plan documents, the plan documents will control.

Note from Church Alliance: This document briefly summarizes provisions in the Coronavirus Aid, Relief, and Economic Security Act (“the CARES Act”) that could possibly be of interest to church plans, ministries and plan members. This summary reflects those CARES Act provisions as they are currently understood on March 29, 2020, without any agency guidance. As guidance is issued that may be applicable, we plan to provide information to you on that guidance or to refer you to that guidance but may not be able to update the summary with that information.

Unless stated otherwise in this document, staff from DCEF, CCF, and PFCC cannot provide tax or legal advice, nor interpret these documents.

Recovery Rebates for Individuals

All U.S. residents with adjusted gross income of up to certain limits are entitled to receive rebates under the CARES Act. For the vast majority of Americans, no action on their part will be required in order to receive a rebate, because the IRS will use a taxpayer's 2019 tax return if filed, or in the alternative their 2018 return. The Secretary of the Treasury has stated that there will be a web-based application for those who don't receive direct deposit to give the IRS the necessary information. Below are some of the details:

- A rebate of \$1,200 (\$2,400 for joint filers) is available to U.S. residents who are not a dependent of another taxpayer and who have a work-eligible social security number, if their adjusted gross income is no more than: (i) \$75,000 for single filers, (ii) \$112,500 for head of household filers, and (iii) \$150,000 for joint filers.
- An additional \$500 per qualifying child under the age of 17 also will be provided.
- The full rebate is available to individuals who have little to no income or who have non-taxable income from means-tested entitlement programs (e.g., Supplemental Security Income, the Earned Income Tax Credit, and the Child Tax Credit).
- The total rebate is reduced by \$5 for each \$100 that a taxpayer's income exceeds the income thresholds above and 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.
- The rebate may be electronically deposited into any account authorized by the taxpayer, on or after January 1, 2018, to receive a federal income tax refund or other federal payment.
- A letter is to be mailed to a taxpayer's last known address within 15 days after a rebate has been paid describing the amount and method of the payment and a phone number at the IRS to call in case the payment is not received.