

Recovery Rebate Checks

Individuals with adjusted gross income (AGI) up to \$75,000 a year are eligible for the full \$1,200 payment. The payment is reduced by \$5 for every \$100 in income above \$75,000. The payment amount is entirely phased out at an AGI of \$99,000.

Married filing joint couples with AGIs up to \$150,000 a year are eligible for a \$2,400 payment. The payment is reduced by \$5 for every \$100 in income above \$150,000. The payment amount is entirely phased out at an AGI of \$198,000 (if the taxpayers have no dependent children). Married couples also will receive an additional \$500 for every dependent child under 17.

***Example - MFJ with no children.** Keith and Norma are married filing joint. They have no dependent children. If they have AGI of \$150,000 or less, they are eligible for a \$2,400 payment. If they have AGI above \$150,000, their rebate will be reduced and finally phased out at an AGI of \$198,000.*

***Example - MFJ with two children.** Chris and Pat are married filing joint. They have two dependent children under age 17. If they have AGI of \$150,000 or less, they are eligible for a \$3,400 payment. If they have AGI above \$150,000, their rebate will be reduced and finally phased out if their income hits the top of the threshold amount.*

Head of household filers with AGIs up to \$112,500 a year are eligible for the full \$1,200 payment and an additional payment of \$500 for each dependent child under age 17. The payment is reduced by \$5 for every \$100 in income above \$112,500. Head of household taxpayers will also receive an additional \$500 per dependent child under age 17. With no eligible children, a head of household filer is phased out at AGI of \$137,000. With one eligible dependent child, a head of household filer is entirely phased out of the rebate payment at AGI of \$146,400.

***Example. Head of Household- no children under 17.** Heather has an 18-year-old high school senior living with her and qualifies as a head of household filer. If her AGI is \$100,000, Heather's payment is \$1,200. Her dependent child does not qualify her for the additional \$500 payment because the child is not under age 17. If Heather's dependent child is under age 17, her payment is \$1,700.*

Phaseout of the rebate. If your income is above the threshold amounts, a reduced payment will result. The reduced amount using your own income (AGI) can easily be calculated using the [Washington Post calculator](#).

What if I am not required to file a tax return? Do I still get a payment? Yes. The IRS will use the information on the Form SSA-1099 or Form RRB-1099 to generate Economic Impact Payments to recipients of benefits reflected in the Form SSA-1099 or Form RRB-1099 who are not required to file a tax return and did not file a return for 2019 or 2018. This includes senior citizens, Social Security recipients and railroad retirees who are not otherwise required to file a tax return.

What else needs to be done to get the Stimulus Rebate? (Almost) Nothing. The IRS will deposit the calculated amount directly into your bank account, using the AGI and the bank information on your 2019 tax return. If your 2019 return hasn't been filed, the IRS will use the AGI and the bank information from your 2018 tax return. If there's no bank information on the return, the IRS will make a web-based portal available for you to enter your bank information or mail a check.

When Will the Payments Arrive? The IRS says that a direct deposit should be in your bank account in about three weeks. Checks should start arriving in six to eight weeks.

2020 Tax Return. Technically the stimulus rebate is a 2020 refundable tax credit. The payment received in the next few weeks is an IRS advance. If you have less income in 2020 than in 2019 because of layoffs, reduced hours and closed businesses, and your rebate payment was reduced by the income threshold, you'll receive a credit for the difference on your 2020 return. If for some reason, you receive too much of an advanced payment, you do not have to pay back the excess.

If you are the dependent of another taxpayer, you are not eligible for the stimulus check. However, you may be eligible for the credit on your 2020 tax return if no longer a dependent in 2020.