

IRS now sending millions more additional stimulus checks

20 June 2021 – The IRS said it is continuing to distribute federal stimulus checks to eligible Americans, with another 2.3 million payments issued last week. Some of those payments include “plus-up” adjustments for people who received less money than they were entitled to in earlier checks.

The latest round of payments is part of the Biden administration’s efforts under the American Rescue Plan to deliver \$1,400 to each eligible adult and child. The IRS on June 9 said it has now delivered more than 169 million payments worth \$395 billion, with the last batch of checks amounting to a total of \$4.2 billion.

Long wait for some

While the latest stimulus payments began hitting bank accounts in March, some people have had to wait weeks or months for their checks. That’s because the IRS prioritized sending checks to people who had already filed their 2019 or 2020 tax returns, since the agency was able to quickly verify eligibility based on income and also determine where to mail or direct deposit the checks.

But some others, such as those who aren’t required to file tax returns or who claimed adjustments on their payments, have had to wait for the IRS to process their payments.

Among the 2.3 million payments are 900,000 checks sent to people who recently filed a tax return and for whom the tax agency didn’t previously have information to issue the money. And another 1.1 million payments were for plus-up adjustments for people who qualified for bigger checks based on recently processed 2020 tax returns, the IRS said.

The tax agency said about 1.2 million payments were made via direct deposit, while the remaining 1.1 million were sent through the mail as paper checks.

Fourth stimulus check?

The latest batch of checks comes as 25 states will soon end enhanced unemployment aid, cutting of millions of jobless workers from \$300 in weekly aid two months before the federal funding is due to expire. About 1 in 4 people on unemployment will lose their benefits from the early cutoff of jobless benefits, according to an estimate from the Century Foundation, a liberal-leaning think tank.

Many families continue to struggle with a financial hit to their income since the pandemic, with the unemployment rate standing at 5.8%, or still far higher than its pre-pandemic level of 3.5%. A quarter of Americans struggled to pay their household expenses in the previous week, according to Census survey data from May 26 to June 7. And almost one-third of households continue to cope with reduced income due to the pandemic, according to a new study from TransUnion.

“One spouse may be fine or one partner is fine but the other is seeing an impact” on their income, said Charlie Wise, head of global research and consulting at TransUnion, although he noted that the data show an improvement from a year earlier, when about half of households experienced a loss of income. “It’ll take a lot to get everyone back to full employment.”

That’s prompting some lawmakers to call for a fourth stimulus check. More than 20 senators — all Democrats — signed a March 30 letter to President Joe Biden in support of recurring stimulus payments, pointing out that the \$1,400 payment being distributed by the IRS won’t tide people over for long.

So far, experts say it’s unlikely that another round of checks will be approved by lawmakers anytime soon. But some people will soon receive another round of aid through the expanded Child Tax Credit, with the American Rescue Act directing the IRS to send monthly checks from July through December for eligible parents.

The IRS earlier this week said it’s sending letters to 36 million families who qualify for the payments. That effort will deliver payments of \$300 for each child under 6 and \$250 for each child between 6 to 17 to low- and middle-class families who earn below an income threshold.

The IRS said those income thresholds are:

- \$75,000 or less for single taxpayers
 - \$112,500 or less for heads of household
 - \$150,000 or less for married couples filing a joint return and qualified widows and widowers
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